



Annual Comprehensive Financial Report

MARYLAND TEACHERS & STATE EMPLOYEES SUPPLEMENTAL RETIREMENT PLANS

**401(k), 457(b), 403(b), 401(a) Plans, A Fiduciary Component Unit Trust Fund in the State of Maryland
For the calendar years ended December 31, 2023 and 2022**



Annual Comprehensive Financial Report

Maryland Teachers & State Employees Supplemental Retirement Plans

A Fiduciary Component Unit Trust Fund in the State of Maryland

For the Calendar Years Ended
December 31, 2023 and 2022

401(k) Savings & Investment, 457(b) Deferred Compensation, 403(b) Tax Sheltered Annuity,
and 401(a) Match Plans

Prepared by:

Maryland Teachers & State Employees Supplemental Retirement Plans
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INTRODUCTORY SECTION (UNAUDITED)	Letter from the Board Chair	6
	Letter of Transmittal	11
	Professional Service Providers	16
FINANCIAL SECTION	Report of the Independent Auditor	20
	Management's Discussion and Analysis (Unaudited)	23
	Basic Financial Statements	
	Statement of Fiduciary Net Position	29
	Statement of Combining Fiduciary Net Position 2023	30
	Statement of Combining Fiduciary Net Position 2022	30
	Statement of Changes in Fiduciary Net Position	31
	Statement of Combining Changes in Fiduciary Net Position 2023	32
	Statement of Combining Changes in Fiduciary Net Position 2022	33
	Notes to the Financial Statements	35
	Supplemental Information	
	Schedule of Administrative Expenses	56
INVESTMENT SECTION (UNAUDITED)	Summary of Investment Policy	61
	Investment Option Analysis 2023	63
	Investment Performance Report	67
	Investment Contract Pool	71
STATISTICAL SECTION (UNAUDITED)	Report on Plan Statistics	74
	Ten Year History of Changes in Net Position	75
	Ten-Year History of Board Income and Expenses	76
	Ten-Year Plan Statistics	77
	Stable Value Manager Diversification Chart	78
	MSRP Contribution Limits 2023	79
	Roth/IRA Highlights	80
GLOSSARY	Glossary	84
	Participant Data Definitions	86





Introductory Section

(Unaudited)

Annual Comprehensive Financial Report 2023



Maryland
Teachers & State Employees
Supplemental Retirement
Plans

457 • 401(k) • 403(b) • Match

BOARD OF TRUSTEES

Hon. T. Eloise Foster
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Deputy Executive Director &
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Tonya M. Toler, CRC[®], CPM
Director of Member Services

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msrp.maryland.gov

Plan Administrator:

A letter from Board Chair T. Eloise Foster

On behalf of the Board of Trustees of the Maryland Supplemental Retirement Plans (MSRP), I am pleased to present our Annual Comprehensive Financial Report (ACFR) for the calendar year ended December 31, 2023. This is our thirteenth year using this expanded report format. We believe this format continues to deliver quality information and demonstrates that the Plans are worthy of our participants' confidence.

MSRP ended the 2023 calendar year with an estimated \$5.3 billion in assets, representing a 14.0% increase from 2022. The increase in Plan assets can be attributed to a strong performance from the stock market as well as reinstatement of the State Match Program. Growth stocks outpaced value stocks with the Russell 1000 Growth Index gaining 14.2% in Q4. Inflation continued to decrease throughout the year alongside the Fed signaling fewer rate hikes helped to boost both equity and bond markets.

During 2023, we made significant strides by introducing new creative strategies to educate participants in preparing for retirement and, as a result, MSRP received the Pension & Investments EDDY Award. This award recognizes our commitment to education and communication about retirement and financial wellness. Details of this award are provided on page 7 of this report.

On April 24, 2023, Governor Moore signed legislation that reinstated the Match Program, which was a direct result of Speaker of the House Adrienne Jones's House Bill 982. Effective July 1, 2023, this program allows employees to receive a dollar-for-dollar match not to exceed \$600 during the fiscal year, subject to eligibility requirements. In addition, this legislation also includes provisions for reimbursement of student loan payments made by eligible employees to higher education institutions (effective January 1, 2024). Employees may receive the match for deferrals/contributions or higher education student loan payment reimbursement, but not for both, and they must elect to utilize the higher education student loan payment match provision each calendar year. This program offers a significant incentive for State employees to actively save for retirement. Since its effective date, the State match program has added over \$12 million in contributions and 14,000 new enrollments to the Plans.

Sincerely,

T. Eloise Foster, Chair

Member Services Delivers Award Winning Financial Education!

In 2023, the Member Services Education Team (MSE) offered new creative strategies to provide innovative solutions to continue to effectively educate employees.



The team's hard work and creativity was acknowledged with the Pension & Investments EDDY Award, which recognizes best practices in financial education and communication by Defined Contribution plans. MSRP has received this distinguished award on three occasions over the past several years.

Our 2023 award submission, "2022 Maryland State Employees \$ave Week," was registered under the "Special Projects" category. The goal of this campaign was to educate State of Maryland employees about the multifaceted steps necessary to improve overall financial outcomes including gaining financial literacy, budgeting, automatic savings and investing, and calculating and reviewing retirement needs.

MSRP MONTHLY EDUCATIONAL WEBINARS

In 2023, the Member Services team offered 15 to 20 monthly financial webinars with approximately 28,000 State employees in attendance. MSRP's webinars encompass a wide array of topics including budgeting, credit and debt management, tax considerations, managing market volatility, frauds and scams, and more. The newest webinar additions include, "Catch the Match" which discusses the State Match Plan and "Borrowing Against Your Future" which details borrowing rules, defaulted loans and their tax consequences. Also, our foundational "Take Control" series was added. This series includes "Success in Planning with MSRP," 'Financial Knowledge', and "Countdown to Retirement" which is offered twice monthly.

The Match is Back!



Gov. Moore after signing of HB 982 for match contributions to Supplemental Retirement Plans for employees, April 24, 2023

Maryland's Speaker of the House, Adrienne Jones, sponsored House Bill 982 which resulted in the reinstatement of State Contributions to Supplemental Retirement Plans. This legislation took effect on July 1, 2023. Eligible State employees can receive a dollar-for-dollar contribution/deferral match up to \$600 per employee, per fiscal year. MSRP coordinated and executed a robust communication plan to get relevant, actionable messaging to participants in expectation of the match. Based on increased plan enrollments and contribution/deferral increases, we've discovered that the \$600 annual match served as a powerful incentive for State employees to participate in the plans.

MARYLAND STATE EMPLOYEES \$AVE MONTH



*Join Us in April 2023, in recognition of
Financial Literacy Month, for
Maryland State Employees Save MONTH*

In recognition of Financial Literacy Month, a nationally-recognized campaign to bring awareness for more financial education in schools and for adults, MSRP initiated "Maryland State Employees \$ave Month" which was held throughout the month of April. This event was launched as part of MSRP's ongoing campaign to increase enrollments and to strengthen employee knowledge about the importance of financial wellness.

Each Monday in April, employees received a video designed to be both educational and entertaining, and to inspire them to follow through with a call to action such as enrolling, increasing their plan contributions, or attending MSRP educational webinars. Nationwide Retirement Solutions, Maryland Supplemental Retirement Plan's third party Administrator, provided accessible informational videos for the campaign.

20%

This year's event resulted in a **20%** increase in views from 2022 due to expanded outreach efforts.

ANNUAL VIRTUAL SAVING\$ SYMPOSIUM



MSRP hosted its annual keynote event - the Virtual Saving\$ Symposium - in October, 2023. The virtual format continues to capture a much larger and broader audience across the State than in-person Expos held in prior years.

The theme for this year's Savings Symposium was "Make Every Hour Count: Plan Your Future TODAY!" The Symposium was held for 6 days over a two-week period, October 17th -19th and October 24th - 26th. The event was held in conjunction with National Retirement Security Month, a national effort to raise public awareness about the importance of saving for retirement.

Twenty guest panelists conducted a total of 24 webinars over the two-week timeframe. MSRP also presented the very popular and well-attended "Putting it all Together for Retirement" webinar. The 2023 MSRP *Virtual* Saving\$ Symposium was an overwhelming success with more than 5,300 employees in attendance - a 40% increase over last year's Symposium. In addition, there were more than 200 views on the recorded videos posted to our YouTube channel.





November 27, 2024
Letter of Transmittal

Maryland
Teachers & State Employees
Supplemental Retirement
Plans

457 • 401(k) • 403(b) • Match

BOARD OF TRUSTEES

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Agency Website:
msrp.maryland.gov

Plan Administrator:
1-800-545-4730
marylanddc.com

Honorable Chair and Members of the Board of Trustees:

It is our pleasure to present the 2023 Annual Comprehensive Financial Report (ACFR) of the Maryland Teachers and State Employees Supplemental Retirement Plans (the "Plans"). The Plans consist of four separate defined contribution plans: the 457 Deferred Compensation, 401(k) Savings & Investment, 403(b) Tax Sheltered Annuity, and 401(a) Match Plans. Together, the Plans constitute fiduciary trust funds in the State of Maryland, overseen and administered by the Board of Trustees of the Maryland Teachers and State Employees Supplemental Retirement Plans (the "Board").

Management assumes full responsibility for the completeness and reliability of the information contained in this annual report, 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 ("clean") opinion on the Plans' financial statements for the calendar year ended December 31, 2023. The independent auditor's 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 Governmental Accounting Standards Board. In addition to this letter of transmittal, narrative, overview, and analysis can be found in the Management's Discussion and Analysis in the Financial Section of the ACFR.

The Plans are authorized and established by legislation as indicated in the notes to the basic financial statements. Summaries of Plan provisions are presented as well. The purpose of the Plans is to serve as a supplemental benefit that works in conjunction with the State pension benefit. MSRP provides retirement savings options to all eligible State of Maryland employees who have elected to participate. All work performed by MSRP staff is done in support of this objective.

At the end of 2023, the Plans' assets totaled \$5.3 billion, an increase from calendar 2022 year-end of \$4.7 billion. The increase can be attributed to a strong Q4 performance from equity and fixed Income markets.

Economic Outlook and Conditions

At the close of 2023, the U.S. economy showed signs of steady but slowing growth, supported by a strong labor market earlier in the year and continued consumer spending, though at a more moderate pace. The Federal Reserve's interest rate hikes, aimed at curbing inflation, have begun to dampen both housing demand and business investments. Inflation has cooled, hovering around the Fed's target, yet higher borrowing costs continue to restrain some sectors. The stock market ended the year on a positive note, rebounding from earlier volatility. Major indices posted gains, driven largely from performance in technology and energy stocks. Overall, while some economic stability has returned, risks of slower growth and potential market volatility remain a concern.

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 participant fees which include a 0.0425% asset fee and a monthly \$0.50 per account fee charged to all accounts over \$500 other than accounts in the 401(a) Match Plan. Expenses to operate the Plans include costs associated with investment consulting, plan administration services, audits, staff, and educational activities. MSRP maintains a reserve balance to accommodate fluctuations and timing differences between revenues and expenses. The Board reserve balance at the end of December 31, 2023, was \$251,485.

New Initiatives

On April 24, 2023, Governor Wes Moore signed HB 0982 reinstating the Match Program, effective July 1, 2023. This program provides deferring/contributing participants and those paying higher education student loans a 100% vested \$600 dollar-for-dollar match each fiscal year beginning July 1, 2023. State employees will receive the match for either deferral/contributions or higher education student loan reimbursements, but not both. The higher education student loan payment match provision authorization date is January 1, 2024.

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, 2023, and 2022, respectively. See the Investment Section of the ACFR for a more detailed analysis and additional information.

Professional Services

The Board contracts for the services of various independent plan administrative/recordkeeping, consulting, investment advisory, and financial professionals to assist in carrying out its responsibility to manage the Plans. Nationwide Retirement Solutions provides MSRP's plan administration and recordkeeping services for the Plans. Additionally, through JP Morgan Chase, Nationwide provides custodial banking services for payroll deductions received in participant accounts and distributions made from their accounts for the 403(b) Plan. T. Rowe Price provides fund investment management services for the investment contract pool. NFP Retirement and Financial Resources Integrity Management (FIRM) co-partner to provide investment advisor and general plan consultant services.

The independent auditor's report on the MSRP basic financial statements is included in the Financial Section of this ACFR. The Investment Advisor's Report prepared by NFP Retirement is included in the Investment Section beginning on page 57.

Awards

In recognition of financial education and communication and best practices, MSRP received the Pension & Investments EDDY Award in 2023. MSRP has received this award over the past several years.

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. We express our appreciation to all staff that assisted in 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,



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



Nakeia C. Smith
Deputy Executive Director
Chief Financial Officer

ABOUT THE BOARD

The Maryland Teachers and State Employees Supplemental Retirement Plans are overseen and 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 Maryland State Department of Education;
 - the Comptroller of the Treasury;
 - the Office of the State Treasurer;
 - the Maryland 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



T. Eloise Foster, *Board Chair*
Former Secretary, Department of
Budget and Management
Eligible Member



Dereck E. Davis
Treasurer
State Agency Member



Johnathan R. West
Eligible Member
Audit Committee Member



Thomas M. Brandt, Jr.
Public Member
Audit Committee Chair



Lynne M. Durbin, Esq.
Public Member
Investment Committee
Member



Jaclyn D. Hartman
Eligible Member



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



John D. Lewis
Public Member
Investment Committee Chair

Vacant
Eligible Member

PROFESSIONAL SERVICE PROVIDERS

Plan Administration

Nationwide Retirement Solutions, a subsidiary of Nationwide Financial Services, Inc.

Independent Investment Advisors

NFP Retirement, Inc (NFP)

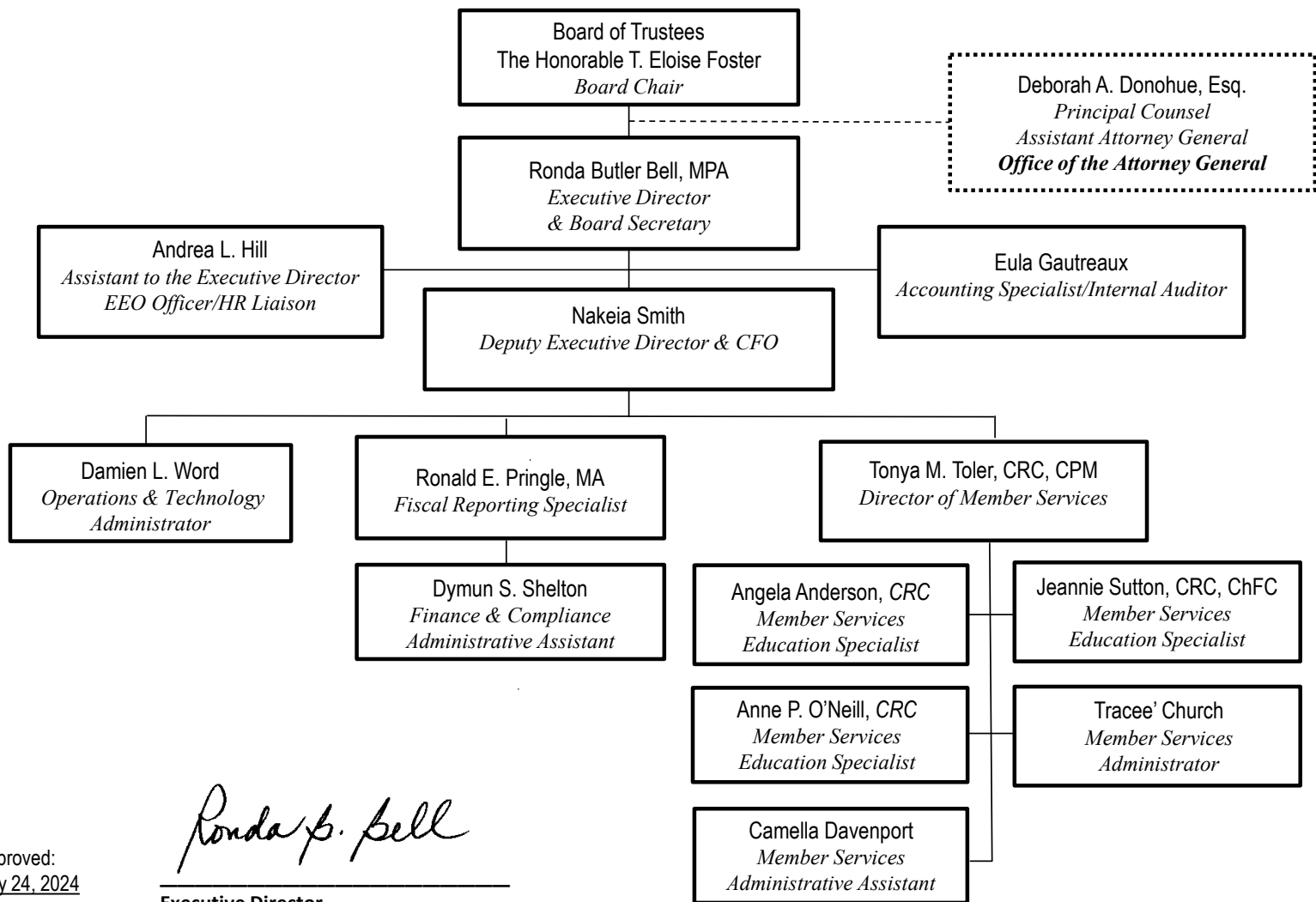
Financial Resources Integrity Management (FIRM)

T. Rowe Price & Associates, Inc.

Independent Auditor

RSM US LLP

Maryland Teachers & State Employees Supplemental Retirement Plans



Approved:
July 24, 2024

Ronda B. Bell

Executive Director





Financial Section

Annual Comprehensive Financial Report 2023

Independent Auditor's Report

Board of Trustees
Maryland Teachers & State Employees Supplemental Retirement Plans

Opinions

We have audited the financial statements of the Maryland Teachers & State Employees Supplemental Retirement Plans (MSRP), a component unit of the State of Maryland, which comprise the statements of fiduciary net position as of December 31, 2023 and 2022, the related statements of changes in fiduciary net position for the years then ended, and the related notes to the financial statements. We also have audited the financial statements of each of the plans presented in the combining statements of fiduciary net position as of December 31, 2023 and 2022, the related combining statements of changes in fiduciary net position for the years then ended, and the related notes to the combining financial statements. These statements collectively comprise MSRP's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the fiduciary net position of MSRP, as of December 31, 2023 and 2022, and the changes in its fiduciary net position for the years then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective fiduciary net position of each plan of MSRP, as of December 31, 2023 and 2022, and the respective changes in fiduciary net position thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audits of the Financial Statements section of our report. We are required to be independent of MSRP, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about MSRP's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that audits conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing audits in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits 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 MSRP's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about MSRP's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 audits 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.

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise MSRP's basic financial statements. The schedules of administrative expenses are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information 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. The information has been subjected to the auditing procedures applied in the audits 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 schedules of administrative expenses are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory section, investment section, and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audits of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

RSM US LLP

Baltimore, Maryland
November 27, 2024

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 calendar years ended December 31, 2023 and 2022. The financial statements appear on page 25 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 Fiduciary Net Position, together with related note disclosures (where necessary or appropriate), to explain a particular item or its context. Each Plan – the 457(b) Deferred Compensation, 401(k) Savings & Investment, 403(b) Tax Sheltered Annuity, and 401(a) Match Plan – has a separate, stand-alone financial statement. A combining statement of Fiduciary Net Position that consolidates the assets and transactions of all four Plans begins on page 30 of this report.

The Statement of Changes in Fiduciary 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 \$656.2 million, or 14.0%, to \$5.34 billion at December 31, 2023, from \$4.68 billion at December 31, 2022. Net position available for Plan benefits decreased by \$893.3 million, or 16.0%, to \$4.68 billion at December 31, 2022, from \$5.58 billion at December 31, 2021. Solid rebounds in Q4 2023 capped off a volatile year with stronger than expected performance.
- Employee deferrals/contributions into the Plans increased by \$32.4 million, or 17.1%, to \$222 million for the year ended December 31, 2023, from \$190.0 million for the year ended December 31, 2022. Employee contributions into the Plans decreased by \$0.2 million, or 0.1%, to \$190.0 million for the year ended December 31, 2022, from \$190.2 million for the year ended as of December 31, 2021.
- Due to the suspension of the funding for the State Match program in State Fiscal Year 2010, employer contributions had 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). The State Match program was reinstated as of July 1, 2023. A State higher education student loan payment match for deferring/contributing participants was authorized as of January 1, 2024.
- In calendar year 2023, participant distributions increased by \$39.0 million to \$316.7 million, from \$277.7 million for the year ended December 31, 2022. At December 31, 2022, participant distributions decreased slightly \$22.9 million to \$277.7 million from \$300.6 million at December 31, 2021.

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 ACFR.

The chart located on the following page illustrates a summary of the changes in the four Plans from calendar year 2022 to calendar year 2023, 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 are fiduciaries of the Maryland Teachers & State Employees 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 ACFR 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: Andrea L. Hill

Public Information Act Representative

6 St Paul Street, Suite 200

Baltimore, Maryland 21202-1600

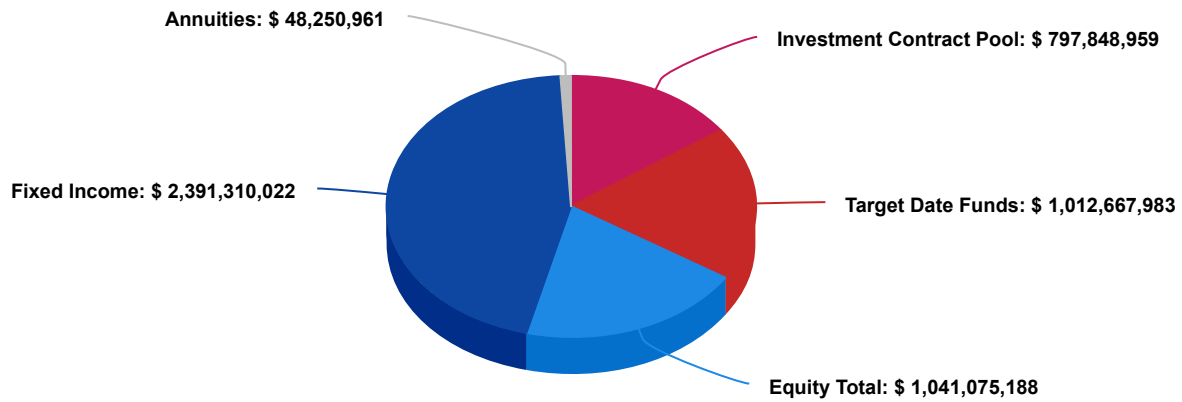
Condensed Summary of Fiduciary Net Position

	2023	2022	2021
Assets			
Investments	\$ 5,291,153,113	\$ 4,635,669,492	\$ 5,527,572,560
Total investments	5,291,153,113	4,635,669,492	5,527,572,560
Cash surrender value of life insurance contracts	2,740,550	2,753,016	2,775,032
Cash	251,485	592,401	1,255,359
Receivables:			
Loans receivable	37,397,793	37,488,595	38,494,449
Other receivable	7,206,842	6,071,526	5,767,735
Fiduciary Net Position	\$ 5,338,749,783	\$ 4,682,575,030	\$ 5,575,865,135

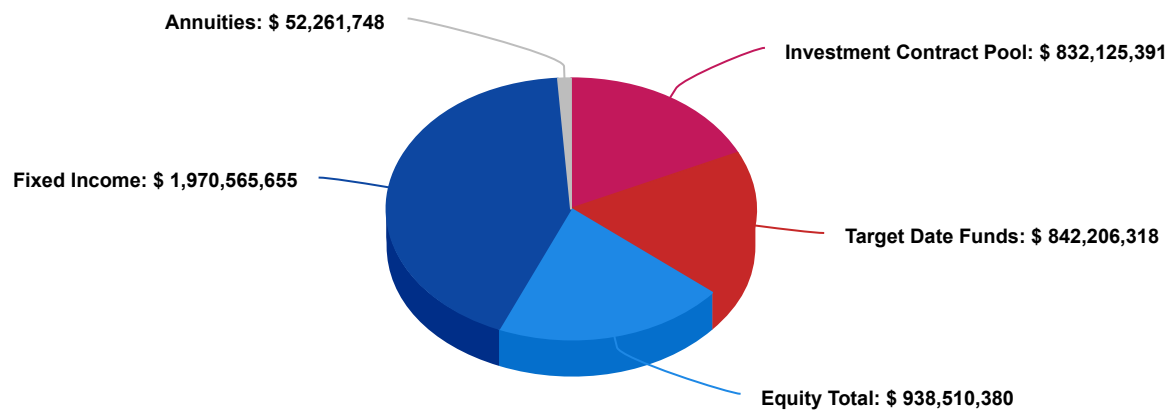
Condensed Summary of Change in Fiduciary Net Position

	2023	2022	2021
Additions			
Employee contributions	\$ 222,391,330	\$ 189,971,046	\$ 190,217,444
Participant Fees	1,861,220	1,336,367	1,766,789
Variable earnings reimbursements	1,672,728	1,671,106	1,786,049
Investment income:			
Variable earnings investment (loss)/Income	731,401,137	(818,461,864)	733,896,717
Other income	25,844,778	19,851,311	18,292,463
Total Additions	983,171,193	(605,632,034)	945,959,462
Deductions			
Distributions to participants	316,670,165	277,699,840	300,550,087
Fees taken from participants	8,302,798	7,762,224	7,964,928
Net administrative expenses - Board	2,022,047	2,194,577	1,932,632
Life insurance premiums	1,430	1,430	1,440
Total Deductions	326,996,440	287,658,071	310,449,087
Net Change	656,174,753	(893,290,105)	635,510,375
Fiduciary Net position			
Beginning of the year	4,682,575,030	5,575,865,135	4,940,354,760
Fiduciary Net Position End of Year	\$ 5,338,749,783	\$ 4,682,575,030	\$ 5,575,865,135

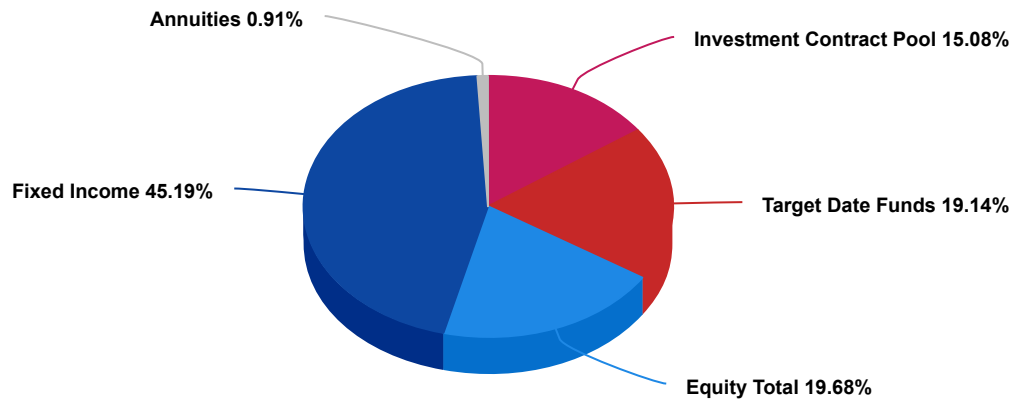
Plans Investments by Category 2023



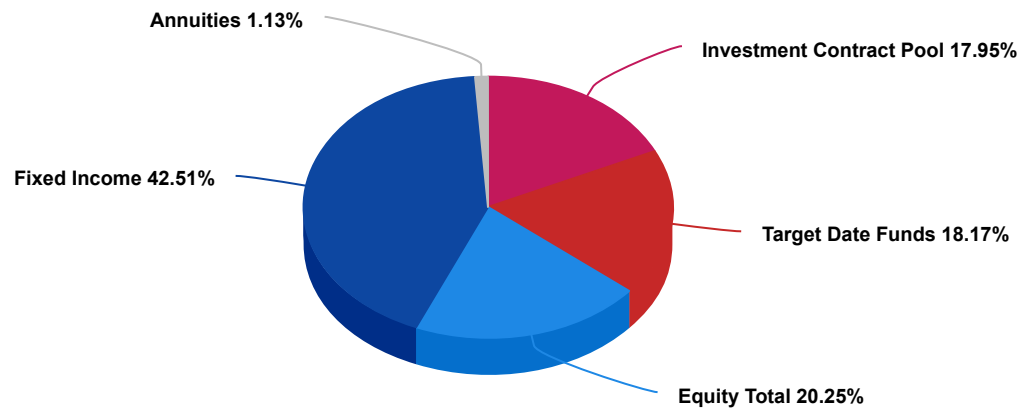
Plans Investments by Category 2022



Investment Allocation % (CY 2023)



Investment Allocation % (CY 2022)





Basic Financial Statements

Annual Comprehensive Financial Report 2023

Statement Of Fiduciary Net Position
As of December 31, 2023 and 2022

	2023	2022
Assets and Net Position		
Investments		
Investment contract pool	\$ 797,848,959	\$ 832,125,391
Mutual funds/Collective Investment Trusts:		
Equity funds	1,041,075,188	938,510,380
Target date funds	1,012,667,983	842,206,318
Fixed income funds	2,391,310,022	1,970,565,655
Annuities	48,250,961	52,261,748
Total Investments	5,291,153,113	4,635,669,492
Cash surrender value of life insurance contracts	2,740,550	2,753,016
Cash	251,485	592,401
Receivables:		
Employee deferrals/contributions	7,026,752	6,071,526
Participant loans receivable	37,397,793	37,488,595
Other receivable	180,090	-
Fiduciary Net Position	\$ 5,338,749,783	\$ 4,682,575,030

The accompanying notes are an integral part of the financial statements

Statement Of Combining Fiduciary Net Position

December 31, 2023

	Deferred Compensation 457(b) 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	\$ 398,057,549	\$ 371,092,421	\$ 28,698,989	\$ -	\$ 797,848,959
Mutual funds/Collective Investment Trusts					
Equity funds	439,625,330	481,891,777	47,762,086	71,795,995	1,041,075,188
Target date funds	463,968,176	499,801,589	34,588,157	14,310,061	1,012,667,983
Fixed income funds	961,519,833	1,266,464,937	131,869,082	31,456,170	2,391,310,022
Annuities	48,250,961	-	-	-	48,250,961
Total Investments	<u>2,311,421,849</u>	<u>2,619,250,724</u>	<u>242,918,314</u>	<u>117,562,226</u>	<u>5,291,153,113</u>
Cash surrender value of life insurance contracts	2,740,550	-	-	-	2,740,550
Cash	251,485	-	-	-	251,485
Receivables:					
Employee deferrals/contributions	3,516,929	3,178,569	215,897	115,357	7,026,752
Participant loans receivable	21,164,990	15,979,742	-	253,061	37,397,793
Other receivables	180,090	-	-	-	180,090
Fiduciary Net Position	<u>\$ 2,339,275,893</u>	<u>\$ 2,638,409,035</u>	<u>\$ 243,134,211</u>	<u>\$ 117,930,644</u>	<u>\$ 5,338,749,783</u>

Statement of Combining Fiduciary Net Position

December 31, 2022

	Deferred Compensation 457(b) 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	\$ 415,226,311	\$ 388,161,548	\$ 28,737,532	\$ -	\$ 832,125,391
Mutual funds/Collective Investment Trusts					
Equity funds	394,070,302	436,855,660	43,233,856	64,350,562	938,510,380
Target date funds	380,034,609	425,065,385	24,346,147	12,760,177	842,206,318
Fixed income funds	785,444,795	1,047,373,936	109,247,800	28,499,124	1,970,565,655
Annuities	52,261,748	-	-	-	52,261,748
Total Investments	<u>2,027,037,765</u>	<u>2,297,456,529</u>	<u>205,565,335</u>	<u>105,609,863</u>	<u>4,635,669,492</u>
Cash surrender value of life insurance contracts	2,753,016	-	-	-	2,753,016
Cash	592,401	-	-	-	592,401
Receivables:					
Employee deferrals/contributions	3,171,947	2,813,287	25	86,267	6,071,526
Participant loans receivable	20,528,329	16,663,494	-	296,772	37,488,595
Other receivables	-	-	-	-	-
Fiduciary Net Position	<u>\$ 2,054,083,458</u>	<u>\$ 2,316,933,310</u>	<u>\$ 205,565,360</u>	<u>\$ 105,992,902</u>	<u>\$ 4,682,575,030</u>

The accompanying notes are an integral part of the financial statements

**Statements Of Changes In Fiduciary Net Position
For The Year Ended December 31, 2023 and 2022**

	2023	2022
Additions To Net Position Attributed To:		
Employee deferrals/contributions	\$ 222,391,330	\$ 189,971,046
Participant fees	1,861,220	1,336,367
Variable earnings reimbursements	1,672,728	1,671,106
Variable earnings investment (loss)/Income	731,401,137	(818,461,864)
Interest income	25,844,778	19,851,311
Total Additions	<u>983,171,193</u>	<u>(605,632,034)</u>
Deductions From Net Position Attributed To:		
Distributions to participants	316,670,165	277,699,840
Fees taken from participants	8,302,798	7,762,224
Net administrative expenses - Board	2,022,047	2,194,577
Life insurance premiums	1,430	1,430
Total Deductions	<u>326,996,440</u>	<u>287,658,071</u>
 Net Change	 656,174,753	 (893,290,105)
 Fiduciary Net position		
Beginning of the year	<u>4,682,575,030</u>	<u>5,575,865,135</u>
 Fiduciary Net Position End of Year	 <u><u>\$ 5,338,749,783</u></u>	 <u><u>\$ 4,682,575,030</u></u>

The accompanying notes are an integral part of the financial statements

**Statements Of Combining Changes In Fiduciary Net Position
For The Year Ended December 31, 2023**

	Deferred Compensation 457(b) 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 deferrals/contributions	\$ 104,474,900	\$ 102,892,866	\$ 12,249,128	\$ 2,774,436	\$ 222,391,330
Participant fees	1,861,220	-	-	-	1,861,220
Variable earnings reimbursements	743,121	790,640	80,915	58,052	1,672,728
Investment income:					
Variable earnings investment (Loss)	304,380,835	371,786,565	36,725,581	18,508,156	731,401,137
Interest income	14,159,378	10,820,140	750,127	115,133	25,844,778
Total Additions	<u>425,619,454</u>	<u>486,290,210</u>	<u>49,805,751</u>	<u>21,455,777</u>	<u>983,171,192</u>
Deductions:					
Distributions to participants	134,633,849	160,744,431	11,911,757	9,380,128	316,670,165
Fees taken from participants	3,769,696	4,070,054	325,144	137,904	8,302,798
Net administrative expenses - Board	2,022,047	-	-	-	2,022,047
Life insurance premiums	1,430	-	-	-	1,430
Total Deductions	<u>140,427,022</u>	<u>164,814,485</u>	<u>12,236,901</u>	<u>9,518,032</u>	<u>326,996,440</u>
Net Change	<u>285,192,432</u>	<u>321,475,725</u>	<u>37,568,850</u>	<u>11,937,745</u>	<u>656,174,752</u>
Fiduciary Net position					
Beginning of the year	<u>2,054,083,461</u>	<u>2,316,933,309</u>	<u>205,565,361</u>	<u>105,992,899</u>	<u>4,682,575,030</u>
Fiduciary Net Position End of Year	<u>\$ 2,339,275,893</u>	<u>\$ 2,638,409,034</u>	<u>\$ 243,134,211</u>	<u>\$ 117,930,644</u>	<u>\$ 5,338,749,783</u>

The accompanying notes are an integral part of the financial statements

**Statements Of Combining Changes In Fiduciary Net Position
For The Year Ended December 31, 2022**

	Deferred Compensation 457(b) 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 deferrals/contributions	\$ 95,978,567	\$ 91,420,225	\$ 31,568	\$ 2,540,686	\$ 189,971,046
Participant fees	1,336,367	-	-	-	1,336,367
Variable earnings reimbursements	738,627	792,053	81,018	59,408	1,671,106
Investment income:					
Variable earnings investment (Loss)	(334,761,225)	(421,846,057)	(40,722,177)	(21,132,405)	(818,461,864)
Interest income	11,128,553	8,045,552	542,846	134,360	19,851,311
Total Additions	<u>(225,579,111)</u>	<u>(321,588,227)</u>	<u>(40,066,745)</u>	<u>(18,397,951)</u>	<u>(605,632,034)</u>
Deductions:					
Distributions to participants	122,600,087	136,477,568	11,835,667	6,786,518	277,699,840
Fees taken from participants	3,504,449	3,816,032	308,081	133,662	7,762,224
Net administrative expenses - Board	2,194,577	-	-	-	2,194,577
Life insurance premiums	1,430	-	-	-	1,430
Total Deductions	<u>128,300,543</u>	<u>140,293,600</u>	<u>12,143,748</u>	<u>6,920,180</u>	<u>287,658,071</u>
Net Change	<u>(353,879,654)</u>	<u>(461,881,827)</u>	<u>(52,210,493)</u>	<u>(25,318,131)</u>	<u>(893,290,105)</u>
Fiduciary Net position					
Beginning of the year	<u>2,407,963,115</u>	<u>2,778,815,136</u>	<u>257,775,854</u>	<u>131,311,030</u>	<u>5,575,865,135</u>
Fiduciary Net Position End of Year	<u>\$2,054,083,461</u>	<u>\$2,316,933,309</u>	<u>\$ 205,565,361</u>	<u>\$ 105,992,899</u>	<u>\$4,682,575,030</u>

The accompanying notes are an integral part of the financial statements



Notes to Financial Statements

Annual Comprehensive Financial Report 2023

1. General Description of the Plans:

The Maryland Teachers and State Employees Supplemental Retirement Plans originated from three sources. In 1963, the Board of Trustees of the Teachers Retirement System established the Maryland Teachers' Tax Deferred Annuity Plan under section 403(b) of the Internal Revenue Code. In 1974, the Maryland Governor initiated the 457 Deferred Compensation Plan by executive order (01.01.1974.19), which was codified by the Maryland General Assembly in Chapter 433, Acts of 1974. In 1984, the Maryland General Assembly established the 401(k) Savings and Investment Plan in Chapter 746, Acts of 1984.

In 1985, the Maryland General Assembly created the Board of Trustees of the Maryland Teachers and State Employees Supplemental Retirement Plans to oversee and administer the three existing Plans in Chapter 741, Acts of 1985.

These defined contribution Plans are a component unit of the State and reported as a fiduciary trust fund in the State and reflect transactions and account balances, with those transactions being accounted for using the economic resources measurement focus. The Plans, which are reported as of and for the year ended December 31, account for participant earnings deferred/contributed in accordance with Internal Revenue Code Sections 457, 403(b), 401(a), and 401(k). Amounts that are deferred/contributed are invested and are not subject to federal income taxes until paid to the participant upon termination or retirement from employment, death, or for an unforeseeable emergency. After-tax Roth accounts were authorized for participants in the 457 Deferred Compensation Plan and the 401(k) Savings and Investment Plan effective in January of 2011. Deferrals or contributions to these accounts have already been taxed, so are not taxed again upon distribution. The Fiduciary Trust Fund is overseen and administered by the Board of Trustees, who are appointed by the Governor, and each member serves a staggered 4-year term.

Effective July 1, 1999, the Maryland General Assembly authorized the Match program, which makes a dollar-for-dollar matching contribution for eligible State employees who voluntarily defer/contribute to one of the State-sponsored supplemental retirement plans. If funded in the State budget, State matching contributions are limited to \$600 per eligible employee, per year. The State matching contributions for MSRP participants are paid into a separate qualified plan, the 401(a) Match plan, which was established by the Maryland General Assembly in Chapter 530, Acts of 1998.

Under Plan provisions eligible employees of the State of Maryland may voluntarily elect to defer or contribute a portion of their compensation into a Plan through payroll deductions. Beginning January 1, 2002, upon enactment of the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA), a participant's contribution to a Plan is limited to the lesser of 100% of taxable compensation, net of IRC Section 457 deferrals, or \$19,500. EGTRRA also provides certain catch-up contribution provisions for participants aged 50 or over, and for participants within three years of their Normal Retirement Age. Subsequent federal legislation and regulations, including the Setting Every Community Up for Retirement Enhancement Act of 2019 (SECURE Act), and SECURE 2.0 (signed into law on December 29, 2022) have increased deferral/contribution and catch-up limits. Amounts contributed by employees are deferred for federal and State income tax purposes until benefits are paid to the employees, with the exception of Roth contributions. In January 2011, the Board approved an after-tax Roth contribution option for the 457 and 401(k) Plans. In October 2014, the Roth conversion feature became effective.

Under provisions of the Small Business Job Protection Act of 1996 (SBJPA), which became effective for plan years beginning after December 31, 1996, assets of IRC section 457 plans must be held in a trust, custodial account, or annuity contract, for the exclusive benefit of employees and beneficiaries. On December 31, 2023 and 2022, the Plan met the requirements of the SBJPA.

- A.** Employees electing to defer/contribute to the 457 Deferred Compensation Plan have the option of investing their contributions in the following options:
- Fixed earnings investment consisting of investment contract pools underwritten by various insurance companies and other financial institutions.
 - Variable earnings investments consisting of various mutual funds.
 - Life insurance contracts underwritten by Unum Life (Unum Life) Insurance Company of America, formerly Commercial Life Insurance Company. As of June 1988, this option was no longer actively promoted for new enrollments in the 457 plan.

1. General Description of the Plans (continued):

- B.** The fixed earnings investment underwritten by Nationwide Life Insurance Company (Nationwide) was previously available. A portion of the 457 Plan's investments is still held at this company, however, this investment option is not available for current enrollments or deferrals.

Employees may withdraw the current value of funds deferred/contributed to the Plan upon termination of employment with the State or due to financial hardship.

Employees who have deferred/contributed to the Plans receive benefits under the Plans at the time of their retirement or upon a determination of disability in accordance with the retirement laws of the State of Maryland.

Upon retirement or disability, employees may select various payout options including lump sum payments or payments over various periods. The employees may also elect to have the value of their account at retirement converted into fixed or variable life annuities or joint and survivor annuities.

2. Summary of Significant Accounting Policies:

MSRP consists 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(b); (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 69,442 participants as of December 31, 2023. MSRP operates pursuant to the provisions of Titles 21, subtitle 2; 32; and 35 of the State Personnel and Pensions Article of the Annotated Code of Maryland and is governed by a nine-member 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, which was codified by the Maryland General Assembly in Chapter 433, Acts of 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 in Chapter 746, Acts of 1984, 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 Chapter 530, Acts of 1998, and is designed to be a tax-qualified 401(a) defined contribution plan.

In 1963, the Board of Trustees of the Teachers Retirement System established the Maryland Teachers' Tax-Deferred Annuity Plan under section 403(b) of the Internal Revenue Code. In 1985, the Board was authorized to oversee and administer the 403(b) Tax Sheltered Annuity Plan (the "403(b) Plan"), which it operates pursuant to the provisions of Title 35 of the State Personnel & Pensions Article of the Maryland Code and a Plan document adopted by the Board.

A. 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 Governmental Accounting Standards Board (GASB).

B. 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.

C. 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 defined contribution benefits.

2. Summary of Significant Accounting Policies (continued):

D. 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 T. Rowe Price Associates under a management services contract with the Board. Interest rates are reset monthly.

As of October 1996, a master trust (the Master Trust) was established to hold all assets of the Plans under Board Trusteeship and administration, including the ICP. 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.

Mutual Funds – 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.

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 mostly passively managed mutual fund and target date vehicles to non-securities lending collective investment trust vehicles managed by State Street. Further transitions of passively managed mutual fund vehicles to CIT vehicles occurred in 2020 (managed by T. Rowe Price and William Blair) and 2023 (managed by Janus Henderson, Putnam and T. Rowe Price).

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

E. 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. Principal and interest payments are credited to the participant's 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. The 401(a) Match Plan does not offer a loan provision.

On January 23, 2023, the Board approved updated administrative procedures on loans and offsetting events. The administrative procedure clarified language specific to defaulted loans, updated procedural changes in administration of such loans, and clarified the loan default process. The changes were implemented on July 1, 2023.

2. Summary of Significant Accounting Policies (continued):

F. Employee Contributions Receivable

Employee contributions receivable represents amounts withheld from employees' pay but not remitted to the investment carriers as of December 31. Deferral/contributions are credited to the applicable investment option upon receipt from the State. Employee deferral/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 defer/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.

G. Employee Deferrals/Contributions

Eligible State employees may defer/contribute to the 457 Plan, 401(k) Plan, or the 403(b) Plan through payroll deductions. Employee deferrals/contributions are recognized as revenue in the period in which the deferral/contributions are withheld from the employees' compensation. As required by the IRC, MSRP limits the amount of an individual's annual deferrals/contributions to an amount not to exceed the lesser of \$22,500 and \$20,500 for the years ended December 31, 2023 and 2022, 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 defer 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. The Plans also provide participants the ability to make Roth contributions. These contributions are post-tax and subject to provisions on tax-free distributions. Roth contributions do not reduce current taxable income and cannot be used for Supplemental Guaranteed Lifetime Income. Roth contributions are eligible for employer match. Contributions of \$6.6 million were made to the Roth accounts by approximately 10,724 participants in the 457 Plan and the 401(k) Plan during the year ended December 31, 2023. Contributions of \$5.2 million were made to the Roth accounts by approximately 8,873 participants in the 457 Plan and the 401(k) Plan during the year ended December 31, 2022.

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 deferrals/contributions to one of the Plans during the same plan year. The statutory maximum contribution is \$600 per participant for each State fiscal year. Deferrals/contributions are credited to the investment option selected by the employee/Plan participant. For the period July 1, 2009 through June 30, 2023, the State suspended the match contribution.

H. Investment Income (Loss)

Net appreciation or decrease in Plan net position 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 or loss is recognized when earned, primarily consisting of interest and dividends. Investment expenses consist of external expenses directly related to MSRP investment options.

I. Variable Earnings Investment Income Reimbursements

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.

2. Summary of Significant Accounting Policies (continued):

J. 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.

K. 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 made.

L. Distribution to Participants

Employees investing in the Plans may or, under certain circumstances, shall 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.

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 State 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.

M. Suspense

Employee deferral/contributions are recognized when such amounts are withheld from employees' pay. Deferrals/contributions are credited by the applicable investment carriers upon receipt of a valid trade order. Deferrals/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.

N. Investment Valuation

Other fixed earnings investments are valued at contract value, which represents deferrals/contributions received plus interest earned to date less applicable charges and amounts withdrawn.

Variable earnings investments are presented at fair values based on published quotations or net asset value as provided by the investment provider. Purchases and sales of variable earnings investments are recorded on a trade date basis.

The cash surrender value of life insurance contracts is valued as reported by the carrier.

O. Cash

Cash represents amounts withheld from participants and remitted to the Board of Trustees for the Maryland Teachers & State Employees Supplemental Retirement Plans, reduced by amounts disbursed to vendors providing services to the Plans. These amounts are presented in the financial statements in accordance with the plan administration services contract discussed in note 6 and note 7. The cash and accounts payable balances and the administrative expense amount may change due to expenses incurred or paid by the Board when reported to Nationwide Retirement Solutions, the Administrator of the Plans ("NRS"), for inclusion in these financial statements. Cash is held on deposit in a State of Maryland Treasurer's Office bank account for the benefit of the Plans.

2. Summary of Significant Accounting Policies (continued):

P. Interest Income

Interest income from investments in fixed annuities underwritten by Nationwide is recorded as earned on an accrual basis. Beginning in 1982, Nationwide initiated a plan for paying different interest rates to specific pools of money based upon the date of the deferral/contributions. Interest income for funds in the Investment Contract Pool is determined based upon a blended interest rate of the guaranteed contract rates of all contracts.

Q. Mutual Fund Income

Mutual fund investment income consists of dividends earned, which are recorded on the ex-dividend date, and realized and unrealized gains and losses on the various mutual fund shares owned by the Maryland Teachers & State Employees Supplemental Retirement Plans.

R. Subsequent Events

MSRP has evaluated events subsequent to December 31, 2023, through the date of issuance of the financial statements and determined that no additional disclosure was necessary.

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3. Investments

Part 1: 457(b) Plan

Investments held including a discontinued group annuity contract and annuity reserves held by Nationwide Life and Metropolitan Life, as of December 31, 2023 and 2022, were as follows:

	2023	2022
Fixed Investments - Investment Contract Pool	\$ 398,057,549	\$ 415,226,311
Equity Funds:		
Fidelity ® Puritan® Fund	148,831,960	128,232,630
Large Cap Value Fund Fee Class I1	97,281,019	-
T Rowe Price Institutional Small Cap Stock Fund, Inc.	79,160,797	69,613,435
T Rowe Price Mid Cap Value Fund, Inc.- Retail Shrs	51,994,766	46,505,017
Mid Cap Growth Fund II I1	35,700,762	-
Parnassus Core Equity Fund-Inst Shrs	26,839,673	21,481,131
Delaware Value Fund - Institutional Class	-	95,204,974
Janus Henderson Enterprise Fund-N Shrs	-	33,236,274
Suspense	(183,647)	(203,159)
Total Equity Funds	439,625,330	394,070,302
Target Date Funds:		
Wilmington Trust T. Rowe Price Retirement Date 2030 Trust I1	73,274,337	-
Wilmington Trust T. Rowe Price Retirement Date 2035 Trust I1	63,845,437	-
Wilmington Trust T. Rowe Price Retirement Date 2040 Trust I1	62,951,446	-
Wilmington Trust T. Rowe Price Retirement Date 2025 Trust I1	54,422,573	-
Wilmington Trust T. Rowe Price Retirement Date 2045 Trust I1	50,182,406	-
Wilmington Trust T. Rowe Price Retirement Date 2050 Trust I1	44,103,292	-
Wilmington Trust T. Rowe Price Retirement Date 2020 Trust I1	38,641,627	-
Wilmington Trust T. Rowe Price Retirement Date 2055 Trust I1	31,430,614	-
Wilmington Trust T. Rowe Price Retirement Date 2015 Trust I1	20,112,806	-
Wilmington Trust T. Rowe Price Retirement Date 2010 Trust I1	10,388,894	-
Wilmington Trust T. Rowe Price Retirement Date 2060 Trust I1	9,647,052	-
Wilmington Trust T. Rowe Price Retirement Date 2005 Trust I1	3,961,085	-
Wilmington Trust T. Rowe Price Retirement Date 2065 Trust I1	1,006,607	-
T Rowe Price Retirement 2030 Trust B	-	60,568,240
T Rowe Price Retirement 2035 Trust B	-	50,706,653
T Rowe Price Retirement 2040 Trust B	-	48,201,898
T Rowe Price Retirement 2025 Trust B	-	47,507,322
T Rowe Price Retirement 2020 Trust B	-	38,902,656
T Rowe Price Retirement 2045 Trust B	-	38,051,858
T Rowe Price Retirement 2050 Trust B	-	33,526,779
T Rowe Price Retirement 2055 Trust B	-	22,737,140
T Rowe Price Retirement 2015 Trust B	-	19,268,555
T Rowe Price Retirement 2010 Trust B	-	10,240,271
T Rowe Price Retirement 2060 Trust B	-	6,461,255
T Rowe Price Retirement 2005 Trust B	-	3,679,822
T Rowe Price Retirement 2065 Trust B	-	182,160
Total Target Date Funds	463,968,176	380,034,609
Fixed Income Funds:		
State Street S&P 500 Index Non-Lending Series Fund Class K	307,191,020	250,617,510
William Blair Large Cap Growth Collective Inv Fund-Class 5	137,915,412	100,322,838
T Rowe Price Structured Research Common Trust Fund	101,795,871	78,042,998
State Street S&P MidCap Index Non-Lending Series Fund Class M	98,616,353	89,771,741
American Funds-EuroPacific Growth Fund® -Class R6	72,290,983	62,574,639
State Street International Index Non-Lending Series Fund Class M	69,173,187	55,930,701
TCW Core Fixed Income Fund - I Class	68,516,297	59,185,779
State Street U.S. Bond Index Non-Lending Series Fund Class M	61,648,366	50,063,509
State Street Russell Small Cap Index Non-Lending Series Fund Class K	44,372,344	38,935,080
Total Fixed Income Funds	961,519,833	785,444,795
Nationwide Fixed Annuities	41,648,252	44,918,857
Nationwide Life annuity payout reserves	4,341,853	4,779,312
Metropolitan Life annuity payout reserves	2,260,856	2,563,579
Total Annuities	48,250,961	52,261,748
Total Investments	\$ 2,311,421,849	\$ 2,027,037,765

3. Investments (continued)

Part 2: 401(k) Plan

Investments held as of December 31, 2023 and 2022, were as follows:

	2023	2022
Fixed Investments - Investment Contract Pool	\$ 371,092,421	\$ 388,161,548
Equity Funds:		
Fidelity® Puritan® Fund	156,209,211	136,217,573
T Rowe Price Institutional Small Cap Stock Fund, Inc.	104,922,474	94,152,447
Large Cap Value Fund Fee Class I1	91,633,689	-
T Rowe Price Mid Cap Value Fund, Inc.- Retail Shrs	58,831,831	52,199,332
Mid Cap Growth Fund II I1	40,749,315	-
Parnassus Core Equity Fund-Inst Shrs	29,487,820	24,114,163
Suspense	57,437	(100,160)
Delaware Value Fund - Institutional Class	-	91,254,711
Janus Henderson Enterprise Fund-N Shrs	-	39,017,594
Total Equity Funds	481,891,777	436,855,660
Target Date Funds:		
Wilmington Trust T. Rowe Price Retirement Date 2025 Trust I1	102,651,620	-
Wilmington Trust T. Rowe Price Retirement Date 2030 Trust I1	95,229,646	-
Wilmington Trust T. Rowe Price Retirement Date 2020 Trust I1	83,466,649	-
Wilmington Trust T. Rowe Price Retirement Date 2035 Trust I1	57,725,340	-
Wilmington Trust T. Rowe Price Retirement Date 2040 Trust I1	41,550,377	-
Wilmington Trust T. Rowe Price Retirement Date 2015 Trust I1	41,065,151	-
Wilmington Trust T. Rowe Price Retirement Date 2045 Trust I1	23,781,779	-
Wilmington Trust T. Rowe Price Retirement Date 2050 Trust I1	18,211,055	-
Wilmington Trust T. Rowe Price Retirement Date 2010 Trust I1	14,254,649	-
Wilmington Trust T. Rowe Price Retirement Date 2055 Trust I1	10,735,147	-
Wilmington Trust T. Rowe Price Retirement Date 2060 Trust I1	4,171,675	-
Wilmington Trust T. Rowe Price Retirement Date 2065 Trust I1	3,570,373	-
Wilmington Trust T. Rowe Price Retirement Date 2005 Trust I1	3,388,128	-
T Rowe Price Retirement 2025 Trust B	-	90,929,585
T Rowe Price Retirement 2030 Trust B	-	79,209,775
T Rowe Price Retirement 2020 Trust B	-	78,482,814
T Rowe Price Retirement 2035 Trust B	-	46,382,147
T Rowe Price Retirement 2015 Trust B	-	37,350,772
T Rowe Price Retirement 2040 Trust B	-	32,832,031
T Rowe Price Retirement 2045 Trust B	-	17,611,672
T Rowe Price Retirement 2050 Trust B	-	13,748,870
T Rowe Price Retirement 2010 Trust B	-	13,680,277
T Rowe Price Retirement 2055 Trust B	-	7,116,175
T Rowe Price Retirement 2005 Trust B	-	3,392,886
T Rowe Price Retirement 2060 Trust B	-	3,036,168
T Rowe Price Retirement 2065 Trust B	-	1,292,213
Total Target Date Funds	499,801,589	425,065,385
Fixed Income Funds:		
State Street S&P 500 Index Non-Lending Series Fund Class K	441,940,048	365,031,160
William Blair Large Cap Growth Collective Inv Fund-Class 5	183,614,490	136,025,951
State Street S&P MidCap Index Non-Lending Series Fund Class M	125,292,084	114,935,311
T Rowe Price Structured Research Common Trust Fund	121,512,506	94,623,856
TCW Core Fixed Income Fund - I Class	91,996,561	81,425,269
American Funds-EuroPacific Growth Fund® -Class R6	90,399,854	81,087,430
State Street U.S. Bond Index Non-Lending Series Fund Class M	79,426,321	63,653,950
State Street International Index Non-Lending Series Fund Class M	70,745,695	56,811,252
State Street Russell Small Cap Index Non-Lending Series Fund Class K	61,537,378	53,779,757
Total Fixed Income Funds	1,266,464,937	1,047,373,936
Total Investments	\$ 2,619,250,724	\$ 2,297,456,529

3. Investments (continued)

Part 3: 401(a) Plan

Investments held as of December 31, 2023 and 2022, were as follows:

	2023	2022
Fixed Investments - Investment Contract Pool	\$ 28,698,989	\$ 28,737,532
Equity Funds:		
Fidelity ® Puritan® Fund	17,550,963	15,282,744
T Rowe Price Institutional Small Cap Stock Fund, Inc.	12,147,605	10,743,200
Large Cap Value Fund Fee Class I1	11,212,886	-
T Rowe Price Mid Cap Value Fund, Inc.- Retail Shrs	3,941,152	3,466,559
Mid Cap Growth Fund II I1	2,021,355	-
Parnassus Core Equity Fund-Inst Shrs	902,319	725,030
Delaware Value Fund - Institutional Class	-	11,205,911
Janus Henderson Enterprise Fund-N Shrs	-	1,810,412
Suspense	(14,194)	-
Total Equity Funds	47,762,086	43,233,856
Target Date Funds:		
Wilmington Trust T. Rowe Price Retirement Date 2030 Trust I1	6,330,202	-
Wilmington Trust T. Rowe Price Retirement Date 2025 Trust I1	5,799,008	-
Wilmington Trust T. Rowe Price Retirement Date 2020 Trust I1	4,936,183	-
Wilmington Trust T. Rowe Price Retirement Date 2035 Trust I1	4,886,017	-
Wilmington Trust T. Rowe Price Retirement Date 2040 Trust I1	4,051,557	-
Wilmington Trust T. Rowe Price Retirement Date 2045 Trust I1	2,376,482	-
Wilmington Trust T. Rowe Price Retirement Date 2015 Trust I1	2,098,748	-
Wilmington Trust T. Rowe Price Retirement Date 2050 Trust I1	1,582,003	-
Wilmington Trust T. Rowe Price Retirement Date 2055 Trust I1	967,294	-
Wilmington Trust T. Rowe Price Retirement Date 2010 Trust I1	732,622	-
Wilmington Trust T. Rowe Price Retirement Date 2060 Trust I1	512,777	-
Wilmington Trust T. Rowe Price Retirement Date 2065 Trust I1	194,191	-
Wilmington Trust T. Rowe Price Retirement Date 2005 Trust I1	121,073	-
T Rowe Price Retirement 2025 Trust B	-	4,762,261
T Rowe Price Retirement 2030 Trust B	-	4,712,330
T Rowe Price Retirement 2020 Trust B	-	4,380,464
T Rowe Price Retirement 2035 Trust B	-	3,324,748
T Rowe Price Retirement 2040 Trust B	-	2,575,199
T Rowe Price Retirement 2015 Trust B	-	1,985,466
T Rowe Price Retirement 2045 Trust B	-	1,160,508
T Rowe Price Retirement 2010 Trust B	-	668,693
T Rowe Price Retirement 2050 Trust B	-	525,015
T Rowe Price Retirement 2005 Trust B	-	99,846
T Rowe Price Retirement 2055 Trust B	-	82,852
T Rowe Price Retirement 2060 Trust B	-	53,494
T Rowe Price Retirement 2065 Trust B	-	15,271
Total Target Date Funds	34,588,157	24,346,147
Fixed Income Funds:		
State Street S&P 500 Index Non-Lending Series Fund Class K	60,278,612	50,083,531
William Blair Large Cap Growth Collective Inv Fund-Class 5	17,567,728	13,149,979
State Street S&P MidCap Index Non-Lending Series Fund Class M	14,773,279	13,368,129
T Rowe Price Structured Research Common Trust Fund	14,608,131	11,629,291
American Funds-EuroPacific Growth Fund® -Class R6	6,522,734	5,747,004

3. Investments (continued)**Part 3: 401(a) Plan (Continued)**

	2023	2022
TCW Core Fixed Income Fund - I Class	5,965,726	5,136,248
State Street Russell Small Cap Index Non-Lending Series Fund Class K	4,512,478	3,935,906
State Street U.S. Bond Index Non-Lending Series Fund Class M	3,823,692	3,006,055
State Street International Index Non-Lending Series Fund Class M	3,816,702	3,191,657
Total Fixed Income Funds	<u>131,869,082</u>	<u>109,247,800</u>
 Total Investments	 <u>\$ 242,918,314</u>	 <u>\$ 205,565,335</u>

3. Investments (continued)

Part 4: 403(b) Plan

Investments held as of December 31, 2023 and 2022, were as follows:

	2023	2022
Equity Funds:		
Fidelity ® 500 Index Fund	\$ 25,476,096	\$ 21,427,460
Fidelity ® Puritan® Fund	11,708,085	10,397,082
Vanguard ® Mid Cap Index Fund-Inst Plus Shrs	9,039,620	8,327,084
Putnam Large Cap Value Fund - Class Y	7,758,936	-
T Rowe Price Institutional Small Cap Stock Fund, Inc.	4,135,301	3,889,624
Vanguard ® Small Cap Index Fund-Inst Shrs	4,103,308	3,398,839
Janus Henderson Enterprise Fund-N Shrs	3,315,161	2,105,715
T Rowe Price Mid Cap Value Fund, Inc.- Retail Shrs	2,965,758	3,684,964
Vanguard ® Total International Stock Index Fund-Inst Shrs	2,543,547	1,998,681
Parnassus Core Equity Fund-Inst Shrs	750,183	700,814
Delaware Value Fund - Institutional Class	-	8,420,299
Total Equity Funds	<u>71,795,995</u>	<u>64,350,562</u>
Target Date Funds:		
T Rowe Price Retirement I 2020 - I Class	2,859,915	2,574,342
T Rowe Price Retirement I 2025 - I Class	2,488,681	2,732,556
T Rowe Price Retirement I 2030 - I Class	2,443,969	2,259,468
T Rowe Price Retirement I 2015 - I Class	1,349,909	1,250,844
T Rowe Price Retirement I 2040 - I Class	1,157,449	677,574
T Rowe Price Retirement I 2035 - I Class	1,091,342	810,793
T Rowe Price Retirement I 2045 - I Class	992,869	724,046
T Rowe Price Retirement I 2010 - I Class	824,570	771,852
T Rowe Price Retirement I 2050 - I Class	561,512	601,891
T Rowe Price Retirement I 2005 - I Class	204,025	193,505
T Rowe Price Retirement I 2060 - I Class	174,034	98,423
T Rowe Price Retirement I 2055 - I Class	131,296	63,040
T Rowe Price Retirement I 2065 - I Class	30,490	1,843
Total Target Date Funds	<u>14,310,061</u>	<u>12,760,177</u>
Fixed Income Funds:		
William Blair Large Cap Growth Fund - Class R6	7,699,315	5,888,048
Vanguard ® Federal Money Market Fund-Investor Class	5,777,853	5,761,174
T Rowe Price U.S. Equity Research Fund - I Class	5,777,462	4,868,787
American Funds-EuroPacific Growth Fund® -Class R6	3,475,119	3,279,161
Vanguard ® Total Bond Market Index Fund-Inst Shrs	3,450,272	3,088,968
TCW Core Fixed Income Fund - I Class	2,916,026	2,815,993
Great West Life Assurance Company	2,360,123	2,796,993
Total Fixed Income Funds	<u>31,456,170</u>	<u>28,499,124</u>
Total Investments	<u>\$ 117,562,226</u>	<u>\$ 105,609,863</u>

3. 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, 2023 and 2022, were as follows:

	2023	2022
Fixed Investments - Investment Contract Pool	\$ 797,848,959	\$ 832,125,391
Equity Funds:		
Fidelity ® Puritan® Fund	\$ 334,300,219	\$ 290,130,029
T Rowe Price Institutional Small Cap Stock Fund, Inc.	200,366,177	178,398,705
Large Cap Value Fund Fee Class I1	200,127,594	-
T Rowe Price Mid Cap Value Fund, Inc.- Retail Shrs	117,733,508	105,855,871
Mid Cap Growth Fund II I1	78,471,432	-
Parnassus Core Equity Fund-Inst Shrs	57,979,995	47,021,138
Fidelity ® 500 Index Fund	25,476,096	21,427,461
Vanguard ® Mid Cap Index Fund-Inst Plus Shrs	9,039,620	8,327,084
Putnam Large Cap Value Fund - Class Y	7,758,936	-
Vanguard ® Small Cap Index Fund-Inst Shrs	4,103,308	3,398,839
Janus Henderson Enterprise Fund-N Shrs	3,315,161	76,169,995
Vanguard ® Total International Stock Index Fund-Inst Shrs	2,543,547	1,998,681
Delaware Value Fund - Institutional Class	-	206,085,896
Suspense	(140,405)	(303,319)
Total Equity Funds	1,041,075,188	938,510,380
Target Date Funds:		
Wilmington Trust T. Rowe Price Retirement Date 2030 Trust I1	174,834,185	-
Wilmington Trust T. Rowe Price Retirement Date 2025 Trust I1	162,873,200	-
Wilmington Trust T. Rowe Price Retirement Date 2020 Trust I1	127,044,459	-
Wilmington Trust T. Rowe Price Retirement Date 2035 Trust I1	126,456,794	-
Wilmington Trust T. Rowe Price Retirement Date 2040 Trust I1	108,553,380	-
Wilmington Trust T. Rowe Price Retirement Date 2045 Trust I1	76,340,667	-
Wilmington Trust T. Rowe Price Retirement Date 2050 Trust I1	63,896,351	-
Wilmington Trust T. Rowe Price Retirement Date 2015 Trust I1	63,276,704	-
Wilmington Trust T. Rowe Price Retirement Date 2055 Trust I1	43,133,056	-
Wilmington Trust T. Rowe Price Retirement Date 2010 Trust I1	25,376,165	-
Wilmington Trust T. Rowe Price Retirement Date 2060 Trust I1	14,331,504	-
Wilmington Trust T. Rowe Price Retirement Date 2005 Trust I1	7,470,286	-
Wilmington Trust T. Rowe Price Retirement Date 2065 Trust I1	4,771,171	-
T Rowe Price Retirement I 2020 - I Class	2,859,915	2,574,342
T Rowe Price Retirement I 2025 - I Class	2,488,681	2,732,555
T Rowe Price Retirement I 2030 - I Class	2,443,969	2,259,468
T Rowe Price Retirement I 2015 - I Class	1,349,909	1,250,843
T Rowe Price Retirement I 2040 - I Class	1,157,449	677,573
T Rowe Price Retirement I 2035 - I Class	1,091,342	810,792
T Rowe Price Retirement I 2045 - I Class	992,869	724,045
T Rowe Price Retirement I 2010 - I Class	824,570	771,851
T Rowe Price Retirement I 2050 - I Class	561,512	601,891
T Rowe Price Retirement I 2005 - I Class	204,025	193,505
T Rowe Price Retirement I 2060 - I Class	174,034	98,423
T Rowe Price Retirement I 2055 - I Class	131,296	63,040
T Rowe Price Retirement I 2065 - I Class	30,490	1,843
T Rowe Price Retirement 2030 Trust B	-	144,490,345
T Rowe Price Retirement 2025 Trust B	-	143,199,167
T Rowe Price Retirement 2020 Trust B	-	121,765,935
T Rowe Price Retirement 2035 Trust B	-	100,413,548
T Rowe Price Retirement 2040 Trust B	-	83,609,128
T Rowe Price Retirement 2015 Trust B	-	58,604,794
T Rowe Price Retirement 2045 Trust B	-	56,824,038
T Rowe Price Retirement 2050 Trust B	-	47,800,664
T Rowe Price Retirement 2055 Trust B	-	29,936,168
T Rowe Price Retirement 2010 Trust B	-	24,589,242
T Rowe Price Retirement 2060 Trust B	-	9,550,918
T Rowe Price Retirement 2005 Trust B	-	7,172,556
T Rowe Price Retirement 2065 Trust B	-	1,489,644
Total Target Date Funds	1,012,667,983	842,206,318

3. Investments (continued)

Part 5: MSRP – All Plans Summary (Continued)

	2023	2022
Fixed Income Funds:		
State Street S&P 500 Index Non-Lending Series Fund Class K	809,409,679	665,732,201
William Blair Large Cap Growth Collective Inv Fund-Class 5	339,097,630	249,498,769
State Street S&P MidCap Index Non-Lending Series Fund Class M	238,681,718	218,075,181
T Rowe Price Structured Research Common Trust Fund	237,916,509	184,296,145
American Funds-EuroPacific Growth Fund® -Class R6	172,688,689	152,688,234
TCW Core Fixed Income Fund - I Class	169,394,610	148,563,289
State Street U.S. Bond Index Non-Lending Series Fund Class M	144,898,379	116,723,514
State Street International Index Non-Lending Series Fund Class M	143,735,583	115,933,611
State Street Russell Small Cap Index Non-Lending Series Fund Class K	110,422,200	96,650,743
William Blair Large Cap Growth Fund - Class R6	7,699,315	5,888,048
Vanguard ® Federal Money Market Fund-Investor Class	5,777,853	5,761,174
T Rowe Price U.S. Equity Research Fund - I Class	5,777,462	4,868,787
Vanguard ® Total Bond Market Index Fund-Inst Shrs	3,450,272	3,088,966
Great West Life Assurance Company	2,360,123	2,796,993
Total Fixed Income Funds	<u>2,391,310,022</u>	<u>1,970,565,655</u>
Nationwide Fixed Annuities	41,648,252	44,918,857
Nationwide Life annuity payout reserves	4,341,853	4,779,312
Metropolitan Life annuity payout reserves	2,260,856	2,563,579
Total Annuities	<u>48,250,961</u>	<u>52,261,748</u>
Total Investments	<u>\$ 5,291,153,113</u>	<u>\$ 4,635,669,492</u>

3. Investments (continued)

Investment Contract Pool (ICP)

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 NRS and the Board. The blended gross interest rate was 2.87% as of December 31, 2023, and ranged from 2.30% to 2.87% during the year ended December 31, 2023. The blended gross interest rate was 2.30% as of December 31, 2022, and ranged from 2.30% to 2.36% during the year ended December 31, 2022. The contract value as of December 31, 2023 and 2022, was \$797,848,959 and \$832,125,391, respectively. The fair market value as of December 31, 2023 and 2022, was \$797,848,959 and \$832,125,391 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, 2023 and 2022.

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 2023 and 2022. 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, *Deposit and Investment Risk Disclosures*, which defines these risks as follows:

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, 2023 and 2022, were as follows:

3. Investments (continued)

	December 31, 2023	
	Valuation	Weighted Average Maturity
Investment Contract Pool	\$ 797,848,959	3.02 years
TCW Core Fixed Income Fund - I Class	\$ 169,394,610	7.55 years
Vanguard Federal Money Market Fund - Investor Class	\$ 5,777,853	0.07 years
Great-West Fixed Investment Fund	\$ 2,360,123	6.19 years
December 31, 2022		
	Valuation	Weighted Average Maturity
Investment Contract Pool	\$ 832,125,391	3.01 years
TCW Core Fixed Income Fund - I Class	\$ 148,563,289	6.15 years
Vanguard Federal Money Market Fund - Investor Class	\$ 5,761,174	0.18 years
Great-West Fixed Investment Fund	\$ 2,796,993	6.21 years

Note: The ICP is only available in the 457, 401(k) and 401(a) Match Plans. The Great-West Fixed Investment Fund (closed to new participants) 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 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. Consistent with the Plans' investment Policy, all funds are measured using US dollars and the Plans do not have any foreign currency risks associated with any investments within the total portfolio.

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 and concentration risk. Therefore, funds made available to participants are subject to the limitations contained within the MSRP Investment Policy Statement.

Although the credit ratings for the securities held in the ICP are provided by Moody's Standard & Poor's and Fitch and converted to the Standard & Poor's nomenclature, the ICP itself is not rated by any of those agencies. 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.

4. 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 have the following recurring fair value measurements as of December 31, 2023 and 2022:

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, 2023 and 2022, presented in the fair value hierarchy. Also shown are investments measured at the net asset value (NAV).

Investments valued at NAV consist of investments which provide safety, similar to mutual funds, with a lower cost to participants.

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
As of December 31, 2023				
Investments by fair value level				
Bond and Equity Securities				
Balanced	\$ 334,300,220	\$ 334,300,220	\$ -	\$ -
Small-Cap Stocks	204,469,484	204,469,484	-	-
International Stocks	175,232,237	175,232,237	-	-
Bonds	172,844,882	172,844,882	-	-
Mid-Cap Stocks	130,088,288	130,088,288	-	-
Large-Cap Stocks	96,932,868	96,932,868	-	-
Target Date Retirement Funds	14,310,061	14,310,061	-	-
Total Investments by fair value level	\$ 1,128,178,041	\$ 1,128,178,041	\$ -	\$ -
Investments measured at the net asset value (NAV)				
Equities	\$ 2,165,621,280			
Collective Investment Trusts	998,357,922			
Investment Contract Pool (ICP)*	797,848,959			
Bonds	144,898,379			
Annuities*	48,250,961			
Money Markets	5,777,853			
Contracts (Certificate investments)*	2,360,123			
Suspense	(140,404)			
Total Investments measured at the net asset value	\$ 4,162,975,072			

*Reported at contract value consistent with Footnote 2D

4. Investment Fair Value Measurements (continued)

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
As of December 31, 2022				
Investments by fair value level				
Bond and Equity Securities				
Balanced	\$ 474,426,175	\$ 474,426,175	\$ -	\$ -
Large-Cap Stocks	285,291,327	285,291,327	-	-
Mid-Cap Stocks	190,352,951	190,352,951	-	-
Small-Cap Stocks	181,797,544	181,797,544	-	-
International Stocks	154,686,915	154,686,915	-	-
Bonds	151,652,256	151,652,256	-	-
Target Date Retirement Funds	12,760,177	12,760,177	-	-
Total Investments by fair value level	\$ 1,450,967,345	\$ 1,450,967,345	\$ -	\$ -
Investments measured at the net asset value (NAV)				
Equities	\$ 1,345,890,505			
Investment Contract Pool (ICP)*	832,125,392			
Collective Investment Trusts	829,446,141			
Bonds	116,723,514			
Annuities	52,261,747			
Money Markets	5,761,174			
Contracts (Certificate investments)	2,796,993			
Suspense	(303,319)			
Total Investments measured at the net asset value	\$ 3,184,702,147			

*Reported at contract value consistent with Footnote 2D

Fair Value Determination and Strategy

- Collective Investment Trusts** – Eighteen funds comprise the investments within this category. These funds are combined and managed in partnership with other trusts and retirement plans that provide fee cost savings. This category aims to facilitate a lower-cost option for participants with measurable tracking to oversee performance. The value of the fund is determined using the NAV per share.
- Bonds** – The category invests primarily in fixed-income obligations of the U. S. Government, corporate securities, mortgages, and asset-backed securities. The objective is to limit exposure to high-yielding non-US securities.
- Equities** – Investments in this category include large, medium, and small capitalized US organizations with above-average growth potential. The funds within this category track their applicable index, and value is determined using the NAV per share of the investment.
- Money Markets** – Vanguard Federal Money Market Fund's investment objective is to seek to provide current income while maintaining liquidity and a stable share price of \$1. The fund invests at least 99.5% of its total assets in cash, U.S. government securities, and/or repurchase agreements that are collateralized solely by U.S. government securities or cash (collectively, government securities). As such it is considered one of the most conservative investment options offered by Vanguard. Although the fund invests in short-term U.S. government securities, the amount of income that a shareholder may receive will be largely dependent on the current interest rate environment. Investors who have a short-term savings goal and are interested in a fund that invests in securities issued by the U.S. government or its agencies may wish to consider this option.

5. Roth:

Maryland Teachers and State Employees Supplemental Retirement Plans

Year ended December 31, 2023 Roth disclosures, by plan type

The 457(b) Deferred Compensation and 401(k) Savings & Investment Plans offer participants the opportunity to make post-tax contributions. During 2023 and 2022, Roth account contributions increased by \$1.3 million or 25% and the number of participants increased by 851 or a 9%.

	457	401k	Total
Assets	\$ 80,242,019	\$ 76,516,123	\$ 156,758,142
Contributions	3,424,076	3,178,046	6,602,122
Distributions	(539,242)	(604,582)	(1,143,824)
# Participants	5,346	5,378	10,724

Maryland Teachers and State Employees Supplemental Retirement Plans

Year ended December 31 2022, Roth disclosures, by plan type

	457	401k	Total
Assets	\$ 57,643,627	\$ 57,063,320	\$ 114,706,947
Contributions	2,730,121	2,550,600	5,280,721
Distributions	(482,033)	(1,258,925)	(1,740,958)
# Participants	4,555	4,318	8,873

6. Life Insurance:

Participants in the 457 Deferred Compensation Plan contributed \$1,430 towards premiums for life insurance contracts offered by UNUM Life during the years ended December 31, 2023 and 2022, respectively. The amount of life insurance in force under these contracts was \$5,261,961 and \$5,318,866 at December 31, 2023 and 2022, respectively.

Unum Life paid \$58,298 and \$57,704 in claims during the years ended December 31, 2023 and 2022 for death benefits from life insurance contracts in force. The payment of death benefits is not included in these financial statements.

At the time of retirement or termination of employment from the State, employees have the option of continuing to make the life insurance premium payments or to receive the cash surrender value of the policy.

7. Contract with Plan Administrator and Related Party Relationship:

The Board has entered into a contract with Nationwide Retirement Solutions, Inc. (NRS) for plan administration and recordkeeping services. NRS is a subsidiary Nationwide Financial Services, Inc., which also owns Nationwide, the provider of certain fixed annuities to the Plan.

8. Participant Fees - MSRP/NRS

NRS also provides certain 457 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 plan administration and recordkeeping services to MSRP, became effective October 1, 2020. Under the contract, NRS provides plan administration and recordkeeping services, such as account statements, financial statement monitoring, participant relations, and general management. NRS charged fees at an annual rate of 0.09% from January 1, 2020 until September 30, 2020, the date on which the prior contract between the Board and NRS terminated and the current contract became effective. Under the current contract, 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.

An additional charge of 0.0325%, down from 0.0425% starting with March 31, 2022 asset fee and continuing through November 30, 2023, is imposed by the Board for its expenses (i.e. staff, auditors, consultants, and other administrative expenses). Effective December 1, 2023, the Board approved reverting the fees back to 0.0425%, based on the level of the Board's required reserve funds. The Board fee is collected directly from participants' accounts on a monthly basis.

During 2023 and 2022, 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 was used to stabilize the revenue for Board operations. The annual cap on participant charges remained at a maximum of \$2,000 for 2023 and 2022.

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 made timely, a \$50 default fee will be assessed with a continued annual loan maintenance fee until all repayments are received.

9. Tax Status:

The United States Treasury Department advised on January 17, 1975, that the 457 Deferred Compensation Plan conforms with provisions of Section 457 of the Internal Revenue Code and, therefore, the amounts of compensation deferred by employees participating in the Plan are not subject to federal income tax withholding nor are they includable in taxable income until actually paid or otherwise made available to the participant, his beneficiary, or his estate. The Treasury Department similarly advised on August 18, 1978 that the 403(b) Tax Sheltered Annuity Plan conforms with the provisions of Section 403(b) and reaffirmed this on August 23, 1982. The Treasury Department additionally similarly advised on December 19, 1988 that the 401(k) Savings and Investment Plan conforms with the provisions of Section 401(k).

The Department of Health, Education and Welfare advised on September 26, 1974, that amounts deferred/contributed under the Plans represent remuneration for employment, therefore, constitute wages under Section 209 of the Social Security Act. Consequently, the amounts deferred are subject to Social Security taxes in the year deferred/contributed. The Department of Health, Education and Welfare further advised that under Section 203(b) of the Social Security Act, benefit payments under the Plan do not constitute earnings and thus are not subject to social security taxes in the year received.

10. Related Parties:

Because of the Maryland statutory requirements, certain members of the Board are participants in one or more Plans in MSRP.





Supplemental Information

Annual Comprehensive Financial Report 2023

Schedule of Administrative Expenses
For the Years Ended December 31, 2023 and 2022

	2023	2022
Plan Administrator		
Fees taken from participants	\$ 8,302,798	\$ 7,762,224
MSRP - Plan Sponsor State Personnel, etc.		
Salaries, wages and fringe benefits	1,364,929	1,335,270
Contractual services	559,130	461,097
Rent, Insurance, and other	25,287	320,491
Supplies and materials	32,590	40,506
Travel	17,546	7,438
Equipment and furnishings	6,191	16,176
Technical and special fees	1,290	2,500
Communications	15,084	11,099
MSRP Plan Sponsor Expenses	2,022,047	2,194,577
Total Administrative Expenses (Fees and Plan Administrator)	\$ 10,324,845	\$ 9,956,801

*See Note 8 for more information.



Investment Section

(Unaudited)

Annual Comprehensive Financial Report 2023

PLAN SUMMARY REPORT For period ended December 31, 2023 Prepared by NFP and FIRM

The Maryland Teachers and State Employees Supplemental Retirement Plans (the “Plans”) are long-term retirement savings vehicles and are intended as sources of retirement income for eligible participants. The Plans vehicles are available for voluntary participation for those eligible participants who wish to bridge the gap between the State Pension Plan, Social Security and their own retirement needs. The investment options available from the Plans cover a broad range of investment risk and rewards appropriate for this kind of retirement savings program. Participants bear the risk and reap the rewards of investment returns that result from the investment options they select.

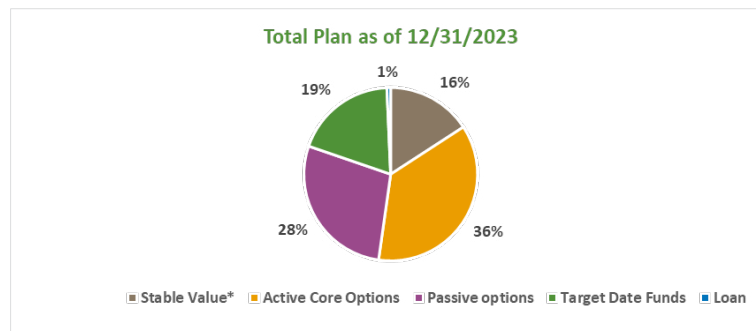
Assets of the Plans totaled \$5.34 billion as of December 31, 2023. This reflected an increase of approximately \$656.0 million from the prior calendar year-end. During 2023 the Plans received \$222.3 million in total contributions including deferrals and transfer-ins and paid \$316.6 million in distributions including transfer-outs to participants, which accounted for a \$94.3 million decrease in Plans assets.

In terms of the overall asset allocation, the assets were invested as follows: 52.5% in equities, 6.3% in balanced, 16.0% in cash equivalents*, 6.0% in fixed income, and 19.2% in target date. The graph below shows the asset allocation for the year end 2023 and 2022.



*Cash equivalents represent the Investment Contract Pool (ICP), GW Daily Interest Guarantee, GW 36 Month CD, GW 60 Month CD, and GW 84 Month CD.

The plan consisted of 36% in active core options and 28% in passive options, along with 19% in target dates, 16% in stable value, and 1% in loans.

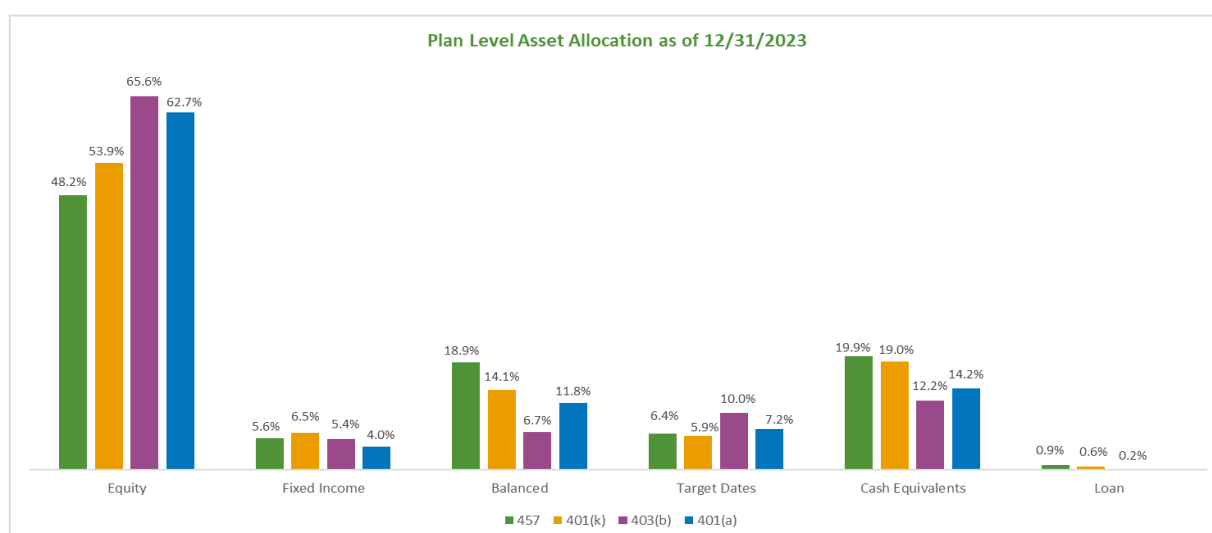


*Stable Value represents Investment Contract Pool (ICP), GW Daily Interest Guarantee, GW 36 Month CD, GW 60 Month CD, and GW 84 Month CD, Nationwide Fixed Acct.

The largest investment option was the T. Rowe Price Investment Contract Pool, which comprised 16% of Plans assets.

Top 5 Holdings	% of Total
Investment Contract Pool	16%
State Street S&P 500 Index Non-Lending K	15%
William Blair Large Cap Growth CIF 5	6%
Fidelity Puritan	6%
State Street S&P Mid Cap Index Non-Lending M	4%
Subtotal	47%

Plan Level Asset Allocation



- The 401(k) Plan comprised the largest portion of the Plans at 49.5%, with \$2.64 billion in assets as of December 31, 2023. The largest investment option is State Street S&P 500 Index Non-Lending Series with 16.8% of participant assets. The second largest option is the Investment Contract Pool with 14.1% of participant assets.
- The assets of the 457 Plan were valued at \$2.33 billion as of December 31, 2023, comprising 43.7% of the total plan. The largest investment option was the Investment Contract Pool with 18.9% of participant assets, followed by State Street S&P 500 Index Non-Lending Series with 13.2% of participant assets.
- As of December 31, 2023, the 401(a) Plan was valued at \$243.1 million, which accounted for 4.6% of the Plans' assets. The largest investment option was the State Street S&P 500 Index Non-Lending Series with 24.8% of participant assets, with the Investment Contract Pool coming in second, holding 11.8% of participant assets.
- The 403(b) Plan comprised the smallest portion of the overall Plans, with \$117.9 million in assets, which accounted for 2.2% of the Plans' assets. The largest investment option in the

403(b) Plan, by participant assets, was the Fidelity 500 Index Fund at 21.7%, followed by Fidelity Puritan Fund with 10.0% of participant assets.

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SUMMARY OF THE INVESTMENT POLICY STATEMENT

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 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.

The Board of Trustees work together with staff and outside advisors to update the menu of plan participant investment options, considering evolving market trends, best practices, investment constraints on specific plans due to laws and regulations, and opportunities for efficiencies in generating net returns to participants. The Plans' investment policy statement was most recently approved on January 22, 2024. A Statement of Investment Policy has been adopted by the Plans' Board of Trustees and serves the following purposes:

- To ensure that a broad range of investment options are offered to participants in the Plans;
- To establish an investment program that will allow Plans 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 strategies/funds;
- To define the selection criteria for the Plans' investment options;
- To define the procedures for investment strategy/fund evaluation and formal strategy/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 Plans may, but are not limited to offering the following investment categories:

- Cash Equivalent
- Bond
- Balanced
- Lifecycle/Target Date
- Domestic Large Cap
- Domestic Mid Cap
- Domestic Small Cap
- Non-U.S. Equity

Within each category of investment, between one and five investment options may be offered. For some 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 Plans 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 and best interests of the Plans’ participants, it may remove and/or 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

Asset Allocation

- T. Rowe Price Retirement Funds:** The T. Rowe Price Retirement Funds are the Plans' target date options. Target date funds consist of mixed portfolios of equities and debt/fixed income securities. As target date funds automatically "rebalance" accounts to equity/debt mixes considered best suited to a participant's age, the share of total plans' assets in target date funds has steadily grown over the past 11 years. The T. Rowe Price Retirement Trust Class B was replaced with Great Gray T. Rowe Price Retirement Date Trust Series in May 2023 due to lower expense ratio across all vintages. These funds are included in all plans except the 403(b) plan, which continues to hold the T. Rowe Price Retirement Funds mutual fund. Participants' assets invested in the Great Gray T. Rowe Price target date funds were valued at \$998.4 million as of December 31, 2023. Participants' assets invested in the T. Rowe Price Retirement Funds (403(b) only) were valued at \$14.3 million as of December 31, 2023. 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 2023, the most conservative fund (GG T. Rowe Price Retirement Date 2005 Trust I1) had a 11.99% return, while the most aggressive fund (GG T. Rowe Price Retirement Date 2065 Trust I1), designed for participants approximately 40+ years from retirement, returned 21.27%. On an annualized 1-year basis, the funds designed for participants that are in or close to retirement with earlier vintages (GG T. Rowe Price Retirement Date 2005 to 2020) produced returns ranging from approximately +11.99% to approximately +13.67%, whereas the fund designed for those younger participants (T. Rowe Price Retirement 2050 to 2065) earned approximately +21.20%. The following table illustrates the broad asset allocation of each of the specific lifecycle funds the period ending December 31, 2023.

Great Gray T. Rowe Price Retirement Date Trust Series Asset Allocation Breakdown As of December 31, 2023

Vintage	Domestic Equity	International Equity	Hedged Equity	Real Assets	Fixed Income	Cash
GG T. Rowe Price Retirement Date 2005 Trust I1	25.3%	10.7%	4.3%	2.7%	54.9%	2.1%
GG T. Rowe Price Retirement Date 2010 Trust I1	27.5%	11.7%	4.7%	2.9%	51.2%	2.1%
GG T. Rowe Price Retirement Date 2015 Trust I1	29.1%	12.5%	5.0%	3.1%	48.2%	2.1%
GG T. Rowe Price Retirement Date 2020 Trust I1	31.0%	13.3%	5.3%	3.3%	44.9%	2.1%
GG T. Rowe Price Retirement Date 2025 Trust I1	35.1%	15.1%	4.9%	3.7%	38.9%	2.3%
GG T. Rowe Price Retirement Date 2030 Trust I1	43.7%	18.7%	2.4%	4.4%	28.1%	2.7%
GG T. Rowe Price Retirement Date 2035 Trust I1	53.3%	22.1%	0.0%	5.1%	17.2%	2.3%
GG T. Rowe Price Retirement Date 2040 Trust I1	59.5%	24.6%	0.0%	5.6%	8.2%	2.0%
GG T. Rowe Price Retirement Date 2045 Trust I1	63.7%	26.3%	0.0%	6.0%	2.6%	1.5%
GG T. Rowe Price Retirement Date 2050 Trust I1	64.7%	26.7%	0.0%	6.1%	1.1%	1.4%
GG T. Rowe Price Retirement Date 2055 Trust I1	65.3%	26.8%	0.0%	6.1%	1.0%	0.8%
GG T. Rowe Price Retirement Date 2060 Trust I1	65.2%	26.8%	0.0%	6.1%	0.9%	0.9%

GG T. Rowe Price Retirement Date 2065 Trust I1	65.0%	26.9%	0.0%	6.1%	1.0%	1.0%
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- **Fidelity Puritan Fund:** As of December 31, 2023, \$334.3 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. Over the 3-, 5- and 10- year periods, the fund outperformed the index and was ranked above the median in its peer group.

Equities

- **Putnam Large Cap Value Fund:** This actively managed large cap value fund replaced the Delaware Value Institutional Fund in 2023. The commingled fund, Large Cap Value I1 (included in the 457, 401(a) and 401(k) plans), outperformed the Russell 1000 Value Index for the quarter and 1-year period. The mutual fund (Class Y-share class) (included in 403(b) plan only) underperformed marginally for the quarter and outperformed for the 2023 calendar year. As of December 31, 2023, participant assets invested in this investment option were valued at \$200.1 million (commingled fund; included in the 457, 401(a) and 401(k) plans) and \$7.8 million (R6-share class; included in 403(b) plan only).
- **T. Rowe Price U.S. Equity Research:** For the calendar year 2023, both the actively managed large cap blend commingled fund (included in the 457, 401(a) and 401(k) plans) and the mutual fund (Class I-share class) (included in 403(b) plan only) fund outperformed the S&P 500 Index and ranked above the median in its peer group for the 1-year period. Both share classes outperformed the Index for the trailing 3-, 5-, and 10-year periods. As of December 31, 2023, participant assets invested in the commingled fund and mutual fund were valued at \$237.9 million and \$5.8 million respectively.
- **Parnassus Equity Income Instl:** The large cap blend equity, socially responsible option, underperformed the S&P 500 Index during 2023. The fund outperformed the market index during the trailing 5-year period and was ranked above the median in its peer group but underperformed the market index for 3-, and 10-year periods. As of December 31, 2023, participants' assets invested in this fund were valued at \$58.0 million.
- **William Blair Large Cap Growth:** Both the commingled fund (included in the 457, 401(a) and 401(k) plans) and the mutual fund (R6-share class) (included in 403(b) plan only) outperformed the Russell 1000 Growth Index for the quarter but underperformed for the 1-year period. As of December 31, 2023, participant assets invested in this investment option were valued at \$339.1 million (commingled fund; included in the 457, 401(a) and 401(k) plans) and \$7.7 million (R6-share class; included in 403(b) plan only).
- **T. Rowe Price Mid Cap Value:** The Plans' actively managed mid cap value equity fund outperformed the Russell Mid Cap Value Index and ranked above the median of the mid cap value equity mutual fund universe for the quarter. For the trailing 1-, 3-, 5-, and 10-year periods the fund also outperformed the Index. As of December 31, 2023, participant assets invested in this fund were valued at \$117.7 million.
- **Janus Henderson Enterprise Fund:** The Mid Cap Growth II I1 (Janus Henderson Enterprise CIT) was introduced in May 2023 for the 457, 401(a) and 401(k) plans. Both the commingled fund (included in the 457, 401(a) and 401(k) plans) and the mutual fund (N-share class) (included in 403(b) plan only) underperformed the Russell Mid-Cap Growth Index in the fourth quarter of 2023. As of December 31, 2023, participant assets invested in this investment option were valued at \$78.5 million (commingled fund; included in the 457, 401(a) and 401(k) plans) and \$3.3 million (N-share class; included in 403(b) plan only).

- **T. Rowe Price Small Cap Stock:** The Plans' actively managed small cap blend equity fund outperformed the Russell 2000 Index for the quarter and ranked above the median of its peer group during the trailing 1-year period. The fund outperformed the benchmark and ranked above the median of its peer group during the trailing 3-, 5- and 10- year periods. As of December 31, 2023, participant assets invested in this fund were valued at \$200.4 million.
- **American Funds EuroPacific Growth Fund:** During the quarter, the Plans' actively managed international equity fund outperformed the MSCI ACWI ex-US Index and also outperformed the index for the trailing 1-, 5- and 10-year periods. As of December 31, 2023, participant assets invested in the fund were valued at \$172.7 million.
- **Fidelity 500 Index:** This passively managed large cap blend fund is offered in the 403(b) plan only. The fund tracks the S&P 500 Index and produced results consistent with the index for the 1-, 3-, 5-, and 10-year periods. Participant investments in this fund were valued at \$25.5 million as of December 31, 2023.
- **State Street S&P 500 Index:** This passively managed large cap blend strategy is included in the 457, 401(a) and 401(k) plans. The strategy tracks the S&P 500 Index and performed in line with the index for the 1-, 3-, 5-, and 10-year periods. Participant investments in this strategy were valued at \$809.4 million as of December 31, 2023, making it the second largest option in the Plans in terms of assets.
- **Vanguard Mid Cap Index Institutional Plus:** This passively managed mid cap blend equity fund is offered in the only in the 403(b) plan and tracks the CRSP U.S. Mid Cap TR Index. The fund performed in line with its custom policy index for the 1-, 3-, 5-, and 10-year periods. Participant investments in this fund were valued at \$9.0 million as of December 31, 2023.
- **State Street S&P Mid Cap Index:** This passively managed mid cap blend equity strategy is included in the 457, 401(a) and 401(k) plans. The strategy tracks S&P MidCap 400 Index and performed in line with the index for the 1-, 3-, 5-, and 10-year periods. Participant investments in this strategy were valued at \$238.7 million as of December 31, 2023.
- **Vanguard Small Cap Index Institutional:** This passively managed small cap blend equity fund is offered in the 403(b) plan and tracks the CRSP U.S. Small Cap Index. The fund produced results consistent with its custom policy index for the 1-, 3-, 5-, and 10-year periods. Participant investments in this fund were valued at \$4.1 million as of December 31, 2023.
- **State Street Russell Small Cap Index:** This passively managed small cap blend equity strategy is included in the 457, 401(a) and 401(k) plans. The fund tracks the Russell 2000 Index. The fund performed in line with the index for the 1-, 3-, 5-, and 10-year periods. Participant investments in this strategy were valued at \$110.4 million as of December 31, 2023.
- **Vanguard Total International Stock Institutional:** This passively managed international blend fund is offered only in the 403(b) plan and tracks the FTSE Global ex USA ALL Cap Index. The fund underperformed marginally relative to its custom policy index for the 1-, 3-, 5-, and 10-year periods. Participant investments in this fund totaled \$2.5 million as of December 31, 2023.
- **State Street International Index:** This passively managed international developed blend strategy is included in the 457, 401(a) and 401(k) plans. The strategy tracks the MSCI EAFE index. The fund outperformed the index for the 1-, 3-, -5 and 10-year periods. Participant investments in this strategy totaled \$143.7 million as of December 31, 2023.

Fixed Income

- **TCW Core Fixed Income Fund:** As of December 31, 2023, participant assets invested in this fund were valued at \$169.4. million. This total includes assets of participants from each of the four Plans. The fund outperformed the Barclays Capital Aggregate Bond Index for the 1-, and 5-year periods but underperformed for the 3-, and 10-year period.
- **Vanguard Total Bond Market Fund:** This passively managed core bond fund is offered in the 403(b) plan. It tracks the Bloomberg Aggregate Float Adjusted Index and produced results consistent with the index for the 1-, 3-, 5-, and 10-year periods. Participant investments in this fund were valued at \$3.5 million as of December 31, 2023.
- **State Street U.S. Bond Index:** This passively managed core bond strategy included in the 457, 401(a) and 401(k) plans. The bond fund tracks the Bloomberg Aggregate Bond Index and produced results consistent with the index for the 1-, 3-, 5-, and 10-year periods. The fund had \$144.9 million in participant investments as of December 31, 2023.

Cash Equivalents

- **Investment Contract Pool (ICP):** As the largest option in terms of Plans' assets, this stable value option was valued at \$797.8 million as of December 31, 2023. This investment option is not available on the 403(b) Plan. Effective January 1, 2022, T. Rowe Price commenced managing the ICP. The 2023 calendar year return was 2.67%, as compared to Morningstar US CIT Stable Value Index which returned 2.85%.
- **Nationwide Fixed Annuity:** This option is only included in the investment line-up of the 457 Plan. Additionally, this option is frozen to new participants; however, legacy account holders can continue additional contributions. As of December 31, 2023, the value of the option was \$41.7 million.
- **GW Daily Interest Guarantee, GW 36 Month Certificate of Deposit (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, 2023, the largest fund by participant assets was the 84-month CD, which was valued at \$2.4 million. The 36-month CD, 60-month CD, and the Daily Interest Guarantee were valued at approximately \$0.24 million, \$0.21 million, and \$0.17 million, respectively.
- **Vanguard Federal Money Market:** Another option only offered in the 403(b) Plan, this option had approximately \$5.8 million in assets as of December 31, 2023. Over the 1-year period, the Fund earned 5.09%, underperforming the ICE BofA US 3-Month Treasury Bill Index by 5 basis points.


MSRP

Investment Performance Information - October 1, 2023 to December 31, 2023

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: WWW.MARYLANDDC.COM. Please consider the fund's investment objectives, risks, and charges and expenses carefully before investing. Both the underlying fund prospectuses and informational brochure contain this and other information about the investment company. Prospectuses are available by calling 1-800-545-4730. Read carefully before investing. The rates of return do not reflect a maximum deduction of a 0.120% annual plan asset fee, which, if reflected, would reduce the performance shown. No account will be charged more than \$2000 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.

VRU #	Fixed Investment Option	Jan '24	Dec '23	Nov '23					
283	Investment Contract Pool	2.950%	2.880%	2.880%					
		Morningstar	Average Annual Return				Since Inception	Inception	Gross Expense
VRU #	Variable Investment Options	Category	1 Year	3 Year	5 Year	10 Year	Inception	Date	Ratio
Asset allocation									
1439	TRowePr Rtrmt I 2010 I (o)	Target-Date 2000-2010	12.55%	1.85%	6.60%	N/A	6.17%	09/29/15	0.34%
2695	TRowePr Rtrmt I 2005 I (o)	Target-Date 2000-2010	12.06%	1.59%	6.13%	N/A	5.70%	09/29/15	0.34%
3298	WlmnTrTRowePrRtrmt 2005 I1 (b)	Target-Date 2000-2010	11.95%	N/A	N/A	N/A	8.05%	09/01/22	0.33%
3299	WlmnTrTRowePrRtrmt 2010 I1 (b)	Target-Date 2000-2010	12.56%	N/A	N/A	N/A	8.43%	09/01/22	0.33%
1440	TRowePr Rtrmt I 2015 I (o)	Target-Date 2015	13.06%	2.12%	7.15%	N/A	6.74%	09/29/15	0.36%
3300	WlmnTrTRowePrRtrmt 2015 I1 (b)	Target-Date 2015	13.20%	N/A	N/A	N/A	10.72%	09/01/22	0.33%
1441	TRowePr Rtrmt I 2020 I (o)	Target-Date 2020	13.65%	2.45%	7.79%	N/A	7.43%	09/29/15	0.37%
3301	WlmnTrTRowePrRtrmt 2020 I1 (b)	Target-Date 2020	13.67%	N/A	N/A	N/A	11.05%	09/01/22	0.33%
1442	TRowePr Rtrmt I 2025 I (o)	Target-Date 2025	14.71%	2.80%	8.57%	N/A	8.12%	09/29/15	0.38%
3302	WlmnTrTRowePrRtrmt 2025 I1 (b)	Target-Date 2025	14.76%	N/A	N/A	N/A	10.35%	09/01/22	0.33%
1443	TRowePr Rtrmt I 2030 I (o)	Target-Date 2030	16.54%	3.29%	9.40%	N/A	8.81%	09/29/15	0.41%
3303	WlmnTrTRowePrRtrmt 2030 I1 (b)	Target-Date 2030	16.56%	N/A	N/A	N/A	11.71%	09/01/22	0.33%
1444	TRowePr Rtrmt I 2035 I (o)	Target-Date 2035	18.32%	3.87%	10.20%	N/A	9.42%	09/29/15	0.42%
3304	WlmnTrTRowePrRtrmt 2035 I1 (b)	Target-Date 2035	18.47%	N/A	N/A	N/A	13.30%	09/01/22	0.33%
1445	TRowePr Rtrmt I 2040 I (o)	Target-Date 2040	19.80%	4.32%	10.87%	N/A	9.95%	09/29/15	0.43%
3305	WlmnTrTRowePrRtrmt 2040 I1 (b)	Target-Date 2040	19.98%	N/A	N/A	N/A	14.49%	09/01/22	0.33%
1446	TRowePr Rtrmt I 2045 I (o)	Target-Date 2045	20.63%	4.70%	11.33%	N/A	10.23%	09/29/15	0.44%
3306	WlmnTrTRowePrRtrmt 2045 I1 (b)	Target-Date 2045	20.95%	N/A	N/A	N/A	15.35%	09/01/22	0.33%
1447	TRowePr Rtrmt I 2050 I (o)	Target-Date 2050	20.92%	4.77%	11.38%	N/A	10.26%	09/29/15	0.45%
3307	WlmnTrTRowePrRtrmt 2050 I1 (b)	Target-Date 2050	21.10%	N/A	N/A	N/A	15.44%	09/01/22	0.33%
1448	TRowePr Rtrmt I 2055 I (o)	Target-Date 2055	20.93%	4.77%	11.37%	N/A	10.24%	09/29/15	0.46%
3308	WlmnTrTRowePrRtrmt 2055 I1 (b)	Target-Date 2055	21.29%	N/A	N/A	N/A	15.52%	09/01/22	0.33%
1449	TRowePr Rtrmt I 2060 I (o)	Target-Date 2060	20.95%	4.77%	11.38%	N/A	10.23%	09/29/15	0.46%
3309	WlmnTrTRowePrRtrmt 2060 I1 (b)	Target-Date 2060	21.23%	N/A	N/A	N/A	15.52%	09/01/22	0.33%
2724	TRowePr Rtrmt I 2065 I (o)	Target-Date 2065+	21.00%	5.08%	N/A	N/A	8.21%	10/13/20	0.46%
3310	WlmnTrTRowePrRtrmt 2065 I1 (b)	Target-Date 2065+	21.31%	N/A	N/A	N/A	15.59%	09/01/22	0.33%
International									
883	Vngrd Ttl IntlStkIndx Inst	Foreign Large Blend	15.52%	1.79%	7.37%	4.12%	4.89%	11/29/10	0.08%
2819	SSgA Intl Indx NLndg M	Foreign Large Blend	18.57%	4.27%	8.45%	5.73%	8.95%	11/30/08	0.05%
835	AmFds Euro Pacfc Gr R6	Foreign Large Growth	16.05%	-2.66%	8.04%	4.90%	10.18%	04/16/84	0.47%
Small cap									
891	Vngrd SmCap Indx Inst	Small Blend	18.22%	4.67%	11.72%	8.44%	8.88%	07/07/97	0.04%
2820	SSgA RsslSmCapIndxNLndg K	Small Blend	16.90%	2.23%	9.93%	7.06%	7.85%	09/30/96	0.04%
1533	TRowePr Inst SmCap Stk	Small Growth	17.55%	1.73%	12.01%	9.35%	9.99%	03/31/00	0.66%
Mid cap									
899	Vngrd MdCap Indx Inst Pls	Mid-Cap Blend	16.00%	5.51%	12.73%	9.43%	10.94%	12/15/10	0.03%
2821	SSgA SPMdCap Indx NLndg M	Mid-Cap Blend	16.41%	8.06%	12.58%	9.25%	9.99%	09/30/97	0.03%
1291	JnsHndsrn Entrp N	Mid-Cap Growth	18.10%	5.27%	13.73%	12.03%	11.21%	09/01/92	0.66%
3311	MdCap Gr II I1	Mid-Cap Growth	N/A	N/A	N/A	N/A	10.80%	04/24/23	0.43%
802	TRowePr MdCap Val Rtl	Mid-Cap Value	18.75%	12.30%	13.23%	9.45%	11.12%	06/28/96	0.83%

PERFORMANCE RESULTS

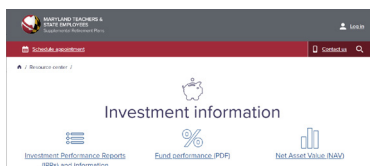
Investment Performance Information - October 1, 2023 to December 31, 2023

		Morningstar	Average Annual Return				Since	Inception	Gross
VRU #	Variable Investment Options	Category	1 Year	3 Year	5 Year	10 Year	Inception	Date	Expense
	Large cap								Ratio
856	Parnassus Cor Eq Inst	Large Blend	25.21%	9.28%	15.73%	11.86%	11.24%	04/28/06	0.62%
1749	TRowePr US Eq Rsrch I	Large Blend	29.91%	10.59%	16.54%	12.47%	9.80%	11/30/94	0.35%
2078	Fid 500 Indx	Large Blend	26.29%	9.99%	15.68%	12.02%	10.68%	02/17/88	0.02%
2823	SSgA SP 500 Indx NLndg K	Large Blend	26.28%	9.98%	15.66%	12.01%	8.94%	04/30/97	0.01%
2896	TRowPr StrcdRsrch Cmn Tr	Large Blend	30.01%	10.71%	16.82%	12.78%	10.79%	05/02/05	0.28%
2626	WlmbLr LgCap Gr CIF 5	Large Growth	40.76%	N/A	N/A	N/A	5.23%	02/12/21	0.37%
2627	WlmbLr LgCap Gr R6	Large Growth	40.56%	6.86%	N/A	N/A	14.79%	05/02/19	0.66%
942	DE Val Inst (a)	Large Value	2.10%	6.43%	7.74%	7.61%	7.57%	09/15/98	0.68%
1297	Ptnm LgCap Val Y	Large Value	15.64%	12.64%	14.57%	10.40%	10.50%	06/30/77	0.64%
2619	WlmbTR LgCap Val I1	Large Value	15.96%	12.79%	14.84%	N/A	12.32%	12/03/18	0.29%
	Balanced								
199	Fid Puritan	Moderate Allocation	20.22%	5.77%	11.58%	8.83%	10.81%	04/16/47	0.50%
	Bonds								
786	Vngrd Ttl Bd Mkt Indx Inst	Intermediate Core Bond	5.72%	-3.34%	1.13%	1.80%	4.29%	09/18/95	0.04%
1641	TCW Cor Fxd Inc I	Intermediate Core Bond	5.60%	-3.66%	1.13%	1.68%	4.60%	02/26/93	0.53%
2822	SSgA US Bd Indx NLndg M	Intermediate Core Bond	5.59%	-3.38%	1.09%	1.79%	2.69%	04/30/09	0.03%
	Short term								
1340	Vngrd Fed Mny Mkt Inv (c)	Money Market-Taxable	5.09%	2.20%	1.83%	1.21%	3.91%	07/13/81	0.11%
	CURRENT YIELD: 4.54%								

Match the market index below to the Morningstar Category listed for your fund.

Market Indices

	Total Return		Average Annual Return		
	1 Year		3 Year	5 Year	10 Year
Small Cap Growth Index					
CRSP US Small Cap Growth Index	21.28%		-2.83%	10.51%	7.82%
Small Cap Blend Index					
Russell 2000	16.93%		2.22%	9.97%	7.16%
Small Cap Value Index					
CRSP US Small Cap Value Index	15.91%		10.46%	11.84%	8.50%
International Index					
FTSE Developed ex North America - For VRU# 835	18.35%		3.30%	8.06%	4.35%
FTSE Global All Cap ex US Index	16.17%		2.19%	7.78%	4.51%
Mid Cap Growth Index					
Russell Midcap Growth	25.87%		1.31%	13.81%	10.57%
Mid Cap Value Index					
Russell Midcap Value	12.71%		8.36%	11.16%	8.26%
Mid Cap Blend Index					
S&P 400 MidCap Index	16.44%		8.09%	12.62%	9.27%
Large Cap Blend Index					
Standard & Poor's 500 Index	26.29%		10.00%	15.69%	12.03%
Large Cap Growth Index					
Russell 1000 Growth	42.68%		8.86%	19.50%	14.86%
Large Cap Value Index					
CRSP US Large Cap Value Index	9.17%		10.61%	11.74%	9.75%
Russell 1000 Value	11.46%		8.86%	10.91%	8.40%
Balanced Index (use for Moderate Allocation Funds)					
60% S&P 500/40% Barclays Capital Aggregate Bond	17.67%		4.71%	9.98%	8.09%
Government Bond Index					
Bloomberg US Govt Interm TR USD	4.30%		-1.83%	1.03%	1.24%
Intermediate Term Bond					
Bloomberg US Agg Bond TR USD	5.53%		-3.31%	1.10%	1.81%
Money Market Index					
FTSE Treasury Bill 3 Mon USD	5.26%		2.25%	1.91%	1.26%



Get the most current fund performance, fund fact sheets, and fund line up on MarylandDC.com

Investment Performance Information - October 1, 2023 to December 31, 2023

Match the market index below to the Morningstar Category listed for your fund.

Market Indices (continued)

	Total Return	Average Annual Return			
	1 Year	3 Year	5 Year	10 Year	
Asset Allocation Index					
Combined Index Portfolio 2005	10.35%	1.00%	4.90%	3.98%	
Combined Index Portfolio 2005 (CIT)	10.35%	1.00%	4.90%	3.98%	
Combined Index Portfolio 2010	10.78%	1.49%	5.61%	4.50%	
Combined Index Portfolio 2010 (CIT)	10.78%	1.49%	5.61%	4.50%	
Combined Index Portfolio 2015	11.38%	1.86%	6.10%	4.94%	
Combined Index Portfolio 2015 (CIT)	11.38%	1.86%	6.10%	4.94%	
Combined Index Portfolio 2020	12.32%	2.12%	6.47%	5.28%	
Combined Index Portfolio 2020 (CIT)	12.32%	2.12%	6.47%	5.28%	
Combined Index Portfolio 2025	12.99%	2.80%	7.42%	5.85%	
Combined Index Portfolio 2025 (CIT)	12.99%	2.80%	7.42%	5.85%	
Combined Index Portfolio 2030	14.80%	3.61%	8.42%	6.44%	
Combined Index Portfolio 2030 (CIT)	14.80%	3.61%	8.42%	6.44%	
Combined Index Portfolio 2035	16.63%	4.45%	9.44%	7.04%	
Combined Index Portfolio 2035 (CIT)	16.63%	4.45%	9.44%	7.04%	
Combined Index Portfolio 2040	18.16%	5.16%	10.22%	7.49%	
Combined Index Portfolio 2040 (CIT)	18.16%	5.16%	10.22%	7.49%	
Combined Index Portfolio 2045	19.14%	5.62%	10.68%	7.76%	
Combined Index Portfolio 2045 (CIT)	19.14%	5.62%	10.68%	7.76%	
Combined Index Portfolio 2050	19.59%	5.84%	10.92%	7.92%	
Combined Index Portfolio 2050 (CIT)	19.59%	5.84%	10.92%	7.92%	
Combined Index Portfolio 2055	19.62%	5.91%	10.98%	7.99%	
Combined Index Portfolio 2055 (CIT)	19.62%	5.91%	10.98%	7.99%	
Combined Index Portfolio 2060	19.74%	5.89%	11.04%	N/A	
Combined Index Portfolio 2060 (CIT)	19.74%	5.89%	11.04%	N/A	
Combined Index Portfolio 2065	19.84%	5.98%	N/A	N/A	
Combined Index Portfolio 2065 (CIT)	19.84%	5.98%	N/A	N/A	
Combined Index Portfolio Income	10.35%	1.00%	4.90%	3.98%	
Combined Index Portfolio Income (CIT)	10.35%	1.00%	4.90%	3.98%	

FEE DISCLOSURES

The Standardized illustration represents performance based on a \$10,000 hypothetical investment. Fees and expenses listed are in addition to the fees disclosed in the underlying fund prospectus.

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.

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.

FOOTNOTES

a) These funds are not open to new participants.

b) These funds are designed to provide diversification and asset allocation across several types of investments and asset classes, primarily by investing in underlying funds. Therefore, in addition to the fund's expenses, you are indirectly paying a proportionate share of the applicable fees and expenses of the underlying funds.

c) 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.

o) The Target Retirement Funds invest in a wide variety of underlying funds to help reduce investment risk. So in addition to the expenses of the Target Retirement Funds, you pay a proportionate share of the expenses of the underlying funds. Like other funds, Target Retirement Funds are subject to market risk and loss. Loss of principal can occur at any time, including before, at or after the target date. There is no guarantee that target date funds will provide enough income for retirement.

RISK DISCLOSURES

Government Money Market Funds: The Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund is open to all investors. Although the Fund seeks to preserve the value of the investment at \$1.00 per share, it cannot guarantee it will do so. You could lose money by investing in the Fund. The Fund may impose a fee upon sale of shares or temporarily suspend the ability to sell shares if the Fund's liquidity falls below required minimums because of market conditions or other factors. The Fund's sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time. The Fund may invest in shares of other government money market mutual funds, including those advised by the Fund's subadviser, to provide additional liquidity or to achieve higher yields. Please refer to the most recent prospectus for a more detailed description of the Fund's principal risks.

International/emerging markets funds: Funds that invest in international stocks face risks that funds investing only in U.S. stocks do not. Currency fluctuation, political risk, differences in accounting standards and the limited availability of information may make these funds less stable.

Small company funds: Small and emerging companies may have less liquidity than larger, established companies. Therefore, funds investing in stocks of small or emerging companies may face greater price volatility and risk.

PERFORMANCE RESULTS

Investment Performance Information - October 1, 2023 to December 31, 2023

High-yield bond funds: Funds that invest in high-yield securities may have more credit risk and changes in price than funds that invest in higher-quality securities.

Non-diversified funds: Funds that invest in a single industry or small number of securities may be more volatile than those that invest more broadly.

Government bond funds: These funds invest mainly in securities of the U.S. government and its agencies; however, these entities do not guarantee the value of the funds.

Real estate funds: Funds that invest mainly in real estate are sensitive to economic and business cycles, changing demographic patterns and government actions.

IMPORTANT DISCLOSURES

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

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

Investing may involve market risk, including the possible loss of principal. Certain underlying funds discussed here are only available as investment options in group variable annuity contracts issued by life insurance companies. They are not offered or made available directly to the general public. These portfolios contain different investment than similarly named mutual funds offered by the money manager and investment returns may be higher or lower.

Inception Date is the date the underlying fund was established. Non-Standardized performance for UIO's includes hypothetical performance for periods before the UIO was available in the group annuity, where applicable, applying contract charges to actual fund NAVs to determine the performance the UIO would have achieved inside the separate account.

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Distributions of contributions and earnings from the Roth account are tax free if contributions have been in the Roth elective deferral account for a period of at least five (5) tax years and the participant is at least 59½ years old at the time of the distribution.

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All information as of December 31, 2023

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 (3.0% 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 (97.0% 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	Aa1
Metropolitan Tower Life Insurance Company	18.7	Aa3
The Prudential Insurance Company of America	18.7	Aa3

The above issuers represent 97.6% of the ICP as of December 31, 2023.

Total Return Performance ²	One Month	Two Months	Three Months	One Year	Since Inception ⁵ 1 January 2022
Figures are Calculated in U.S. Dollars					
Investment Contract Pool ("ICP")	0.24%	0.48%	0.72%	2.67%	2.25%
FTSE 3-Month Treasury Bill Index ³	0.47	0.93	1.41	5.26%	4.34
3-year Constant Maturity Treasury ⁴	0.33	0.71	1.12	4.40	3.78

Past performance is not a reliable indicator of future performance.

Sector Breakdown (%)	% of ICP	Credit Quality (%) ¹	% of ICP	ICP Characteristics	
Credits	38.8%	U.S. Government Agencies/Aaa	54.3%	Assets (Millions USD)	\$798.2
U.S. Treasuries	25.1	Aa	6.0	Average Crediting Rate (gross of trustee fees, net of 14.5 bps wrap fees)	2.87%
U.S. Agencies	2.1	A	19.2	Market-to-Book Ratio	94.98%
ABS	8.6	BBB or Lower	16.9	Duration	2.95 Years
CMBS	4.6	Reserves/Cash Equivalents	3.6	Yield	4.95%
Mortgage Back Securities (MBS)	17.2			Underlying Fixed Income Portfolios (% of ICP)	
Reserves/Cash Equivalents	3.6			T. Rowe Price	49.7%
				Payden	19.0
				Loomis	18.7
				Xponance	9.6

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Maryland State Teachers and State Employees Supplemental Retirement Plans Master Trust

All information as of December 31, 2023

Past performance is not a reliable indicator of future performance.

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 14.5 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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Statistical Section

(Unaudited)

Annual Comprehensive Financial Report 2023

2023 Plan Statistics

2023 Totals for All Plans

Average Combined Plan Assets by Participant	85,070
TOTAL Participants	69,442
TOTAL Deferring/Contributing Participants	35,240
Average Roth Assets by Participant	13,378
Participants in Multiple Plans	8,476
Total Roth Accounts	9,843
TOTAL Participants with Systematic Payouts	7,031
Participants with Multiplan Deferrals	3,386
Average Annual Deferrals per Participant	756

457(b) Deferred Compensation Plan

	2023	2022	2021
Participants	36,183	35,613	35,954
Deferring Participants	19,204	19,187	19,187
Systematic Payouts	3,313	7,072	8,902
Loans	2,288	2,384	2,423
Annuitants	-	1	1
Net New Enrollments	1,988	1,110	(66)

401(k) Savings & Investment Plan

	2023	2022	2021
Participants	32,386	31,343	31,823
Contributing Participants	15,673	15,048	15,048
Systematic Payouts	3,577	5,810	4,834
Number of Loans	1,713	1,888	1,981
Annuitants	-	-	-
Net New Enrollments	2,407	932	-

403(b) Tax Deferred Annuity Plan

	2023	2022	2021
Participants	873	804	804
Contributing Participants	363	265	265
Systematic Payouts	141	191	135
Number of Loans	20	3	29
Annuitants	-	-	1
Net New Enrollments	130	42	(7)

401(a) Match Plan

	2023	2022	2021
Participants	38,470	24,796	25,580

Statement of Changes in Fiduciary Net Position 10 Year History

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
ADDITIONS TO NET POSITION ATTRIBUTED TO:										
Employee contributions	\$ 222,391,330	\$ 189,971,046	\$ 190,217,444	\$ 179,872,866	\$ 182,405,999	\$ 164,038,436	\$ 167,321,062	\$ 155,632,594	\$ 163,723,479	\$ 153,458,164
Employer contributions	-	-	-	-	16,554	35,822	70	16,363	9,750	28,418
Variable earnings reimbursements	1,672,728	1,671,106	1,786,049	1,990,832	2,666,215	3,057,487	2,102,082	2,096,422	2,206,440	2,026,395
Investment income:										
Participant fee income	1,861,220	1,336,367	1,766,789	2,035,000	2,029,000	-	-	-	-	-
Variable earnings investment (loss) income	731,401,136	(818,461,864)	733,896,717	605,341,098	711,776,796	(165,557,554)	491,695,469	231,765,315	(6,641,027)	202,623,164
Interest income	25,844,778	19,851,311	18,292,463	22,356,074	22,656,096	21,104,108	18,923,831	18,431,370	18,549,979	18,590,728
Total Additions	983,171,192	(605,632,034)	945,959,462	811,595,870	921,550,660	22,678,299	680,042,514	407,942,064	177,848,621	376,726,869
DEDUCTIONS FROM NET POSITION ATTRIBUTED TO:										
Distributions to participants	316,670,166	277,699,840	300,550,087	252,429,639	268,869,648	238,492,183	241,714,809	205,568,155	214,590,958	199,498,199
Administrative expenses	10,324,845	9,956,801	9,897,560	8,752,776	8,805,494	6,264,365	5,537,415	5,243,677	4,609,909	4,931,985
Life insurance premiums	1,430	1,430	1,440	2,375	3,520	5,350	6,644	7,982	11,725	16,098
Total Deductions	326,996,440	287,658,071	310,449,087	261,184,790	277,678,662	244,761,898	247,258,868	210,819,814	219,212,592	204,446,282
Net (decrease) increase	656,174,752	(893,290,105)	635,510,375	550,411,080	643,871,998	(222,083,599)	432,783,646	197,122,250	(41,363,971)	172,280,587
Fiduciary Net Position beginning of year	4,682,575,030	5,575,865,135	4,940,354,760	4,389,943,680	3,746,071,682	3,968,155,281	3,535,371,635	3,338,249,385	3,379,613,356	3,207,332,769
Fiduciary Net Position End of Year	<u>\$ 5,338,749,783</u>	<u>\$ 4,682,575,030</u>	<u>\$ 5,575,865,135</u>	<u>\$ 4,940,354,760</u>	<u>\$ 4,389,943,680</u>	<u>\$ 3,746,071,682</u>	<u>\$ 3,968,155,281</u>	<u>\$ 3,535,371,635</u>	<u>\$ 3,338,249,385</u>	<u>\$ 3,379,613,356</u>

Ten Year History Of Administrative Charges And Expenditures

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Plan Charges	\$ 2,010,940	\$ 1,851,811	\$ 525,589	\$ 1,924,298	\$ 2,518,517	\$ 1,290,459	\$ 2,084,562	\$ 1,580,828	\$ 1,693,232	\$ 1,889,868
Technical & Special fees	1,290	2,500	-	-	-	6,813	-	-	2,427	5,945
Benefits	1,364,929	1,335,270	1,221,029	1,221,029	1,466,342	1,239,426	1,236,248	1,252,561	1,179,268	1,093,162
Contractual Services	559,130	461,097	308,157	301,178	231,874	197,903	373,298	279,367	298,242	241,535
Office Rent and Insurance	25,287	320,491	173,289	163,361	170,768	168,675	152,415	248,648	298,486	138,699
Supplies and Materials	32,590	40,506	31,164	31,164	16,237	18,075	6,249	10,404	8,794	12,142
Equipment/Furnishings	6,191	16,176	9,991	9,991	11,808	1,339	15,545	10,986	78	354
Communications	15,084	11,099	5,379	5,379	28,999	18,874	39,751	19,279	16,823	26,243
Travel	17,546	7,435	-	-	22,558	25,102	22,483	20,659	19,823	20,513
Expenditures										
Salaries, Wages and Fringe										
Total Expenditures	<u>2,022,047</u>	<u>2,194,574</u>	<u>1,749,009</u>	<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>
Plan Charges Less Expenditures	(11,107)	(342,763)	(1,223,420)	192,196	569,931	(385,748)	238,573	(261,076)	(130,709)	351,275
										-
Reserve Balance	<u>\$ 251,485</u>	<u>\$ 592,401</u>	<u>\$ 1,023,856</u>	<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>

Ten Year Plan Statistics by Plan

(\$ In Thousands)

457(b) PLAN SUMMARY

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Additions: Contributions	\$ 104,475	\$ 95,978	\$ 91,857	\$ 85,588	\$ 83,004	\$ 74,579	\$ 72,953	\$ 66,817	\$ 66,812	\$ 60,837
Additions: Investment Return	304,381	(334)	308	258	301	(56)	210	104	8,959	94
Loan Amount	\$ 21,165	\$ 20,528	\$ 20,261	\$ 20,755	\$ 21,731	\$ 20,922	\$ 19,733	\$ 18,772	\$ 18,077	\$ 17,466
Mutual Fund Reimbursements	743	738,626	787,066	873,126	1,159	1,338	888	893	937	-
Participant Accounts	36	35,613	35,954	36,147	35,557	38	34	33	32	30
Deferring Participants	19	19,187	19,187	21,129	20,907	20,907	19	19	18	17
Number of Loans	2	2	2	2	3	3	2	2	2	2
Total Fiduciary Net Position	2,339,276	2,054	2,407	2,140	1,916	1,649	1,741	1,572	1,498,891	1,524,446
Plan Administration Fees*	(3,931)	(4,362)	(5,483)	(2,696)	(2,731)	(3,048)	(2,203)	(1,942)	(1,942)	(2,041)
Withdrawals	(134,633)	122,600	(1,292)	(20,755)	(121,417)	(108,390)	(112,576)	(96,552)	(99,281)	(94,809)

401(k) PLAN SUMMARY

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Additions: Contributions	102,893	(429)	96	89	96,379	87,096	91,833	85,852	94,255	89,860
Additions: Investment Returns	371,787	374	374	322	373,789	(76,379)	257,286	124,407	4,757	106,157
Loan Amount	15,980	16,663	15,048	16,626	19,960	19,528	19,841	19,231	19,071	18,897
Mutual Fund Reimbursements	791	792	374	933	1,309	1,469	1,054	1,030	1,062	972
Participant Accounts	32	35,613	39,954	36,147	32,548	33	32	33	34	34
Deferring Participants	16	19,187	19,187	211,219	17,230	18	18	18	19	20
Number of Loans*	2	5	4	3	2	2	2	3	3	3
Total Fiduciary Net Position	2,638,409	2,316	2,778	2,454	2,165	1,827	1,931	1,698	1,585	1,588
Plan Administration Fees*	(4,070)	(3,816)	(3,935)	(3,578)	(3,583)	(2,842)	(2,927)	(2,349)	(2,331)	(2,513)
Withdrawals	(160,744)	(136,477)	(150,175)	(119,796)	(129,392)	(113,827)	(1,138,166)	(96,555,381)	(99,554,689)	(91,201,808)

403(b) PLAN SUMMARY

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Additions: Contributions	2,774	2,540	2,551	4,727	3,024	2,363	2,535	2,664	2,656	2,761
Additions: Investment Returns	18,508	415	418	15,419,860	20,198	(4,284)	14,660	7,100	(77)	6,888
Loan Amount	253	86	416	494	464	413	369	363	344	365
Mutual Fund Reimbursements	58	105	88	4	72	91	54	56	79	61
Participant Accounts*	873	804	804	775	784	782	780	777	784	784
Deferring Participants*	363	265	265	324	339	346	346			
Number of Loans*	20	29	29	29	29	32	32	32	32	32
Total Fiduciary Net Position	117,931	105,992	131,311	117,365	103,325	91,038	99,330	88,029	82,506	86,497
Plan Administration Fees	(138)	(136)	(149)	(140)	(152)	(128)	(143)	(116)	(118)	(131)
Withdrawals	(9,380)	9,285	6,789	6,037	10,955	6,333	6,103	4,191	6,451	6,027

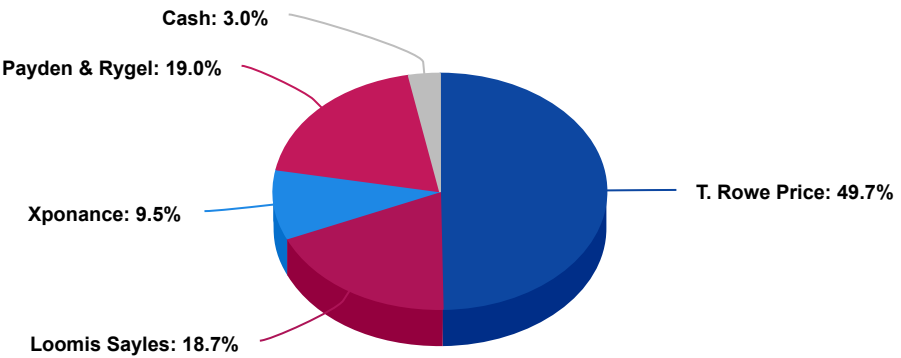
401(a) PLAN SUMMARY

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Additions: Contributions	12,249	-	-	33,118	16,554	35,822	35,822	16,363	97,500	28,148
Additions: Investment Returns	36,725	31,568	41,285	31,640	39,321	(7,568)	27,750	14,140	567	13,953
Mutual Fund Reimbursements	81	81,018	88,034	112,313	127	159	107	117	128	116
Participant Accounts	38	24,796	25,580	26,973	28,755	29,397	29,397	32,175	33,681	35,322
Deferring Participants	10	-	-	-	-	-	-	-	-	-
Total Fiduciary Net Position	243,134	205,565	257,775	228,529	207,508	178,289	195,848	176,934	171,152	180,097
Plan Administration Fees*	(325)	(308,081)	(327,983)	(112,313)	(310,357)	(245,674)	(264,863)	(827,950)	(218,807)	(247,229)
Withdrawals	(11,912)	11,935	(11,820)	(10,641)	(9,935,402)	(9,940,434)	(9,218,727)	(8,279,501)	(930,318)	(7,460,646)

* actual number, not in thousands

Due to a modification of the reporting format of this schedule implemented for calendar year 2023, the historical data for calendar years 2014 through 2022 may not conform to the updated reporting format. Please see the audited financial statements for those years, available on the MSRP website, for the most accurate data.

Stable Value Manager Diversification



MSRP Contribution Limits

For Calendar Year 2023

PLAN	Calendar Year 2023 LIMIT
457(b) Deferred Compensation Plan	Up to 100% of compensation, but not more than \$22,500
403(b) Tax Sheltered Annuity Plan	Up to 100% of compensation, but not more than \$22,500
401(k) Savings & Investment Plan	Up to 100% of compensation, but not more than \$22,500
When participating in <i>both</i> the 457(b) Plan and the 401(k) Plan [or 403(b)], one may contribute \$20,500 a year to each Plan for a potential combined contribution of \$45,000.	

CATCH-UP PROVISION	Calendar Year 2023 LIMIT
Catch-Up for Age 50 and Over	Employees over 50 years old may make catch-up contributions to the 457(b), 403(b) and 401(k) Plans over and above the 401(k) and other limits. The amount of these contributions is \$7,500 per Plan in 2023.
Special 457(b) Catch-Up	Assuming prior years of employment contributing less than the maximum, the limit on special catch-up contributions in the 457(b) Plan is double the \$22,500 regular deferral limit, or \$45,000 in 2023.

Calendar Year 2023	Maximum Deferral/ Contribution Limit	Deferral/ Contribution Limit plus Age 50 Catch-Up	Special 457(b) Catch-Up Deferral Limit
	If you're <i>less than age 50</i> this year, you may defer as much as...	If you're <i>at least age 50</i> this year, you may defer as much as...	If you have <i>three years before the year you will retire</i> , you may defer as much as...
457(b) Plan	\$22,500	\$30,000	\$45,000
401(k) Plan or 403(b) Plan	\$22,500	\$30,000	\$30,000 (Use Age 50 Catch-Up)
TOTAL	\$45,000	\$60,000	\$75,000



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 72 (73 if you reach age 72 after Dec. 31, 2022).

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.



Call to get started today

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Glossary

Annual Comprehensive Financial Report 2023

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 2000 Index, representing 10% of the total U.S. equity market.

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/contribution.

Deferring/Contributing Participants. Those participating employees who made a deferral/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/Contributions Per Participant. Calculated by dividing the dollar value of "TOTAL Deferrals/Contributions" in all Plans combined by the number of "TOTAL Deferring/Contributing 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.

Asset Allocation. As the Plans are intended as voluntary sources of retirement income for eligible participants, asset allocation in this document represents the combined assets allocated to each broad category (equities, fixed income, balanced and target date).

Passive Options. (Sometimes called indexed options) May appeal to investors who are looking for investment options that track the markets per their selected index to create a diversified portfolio and normally carry lower than average investment fees.

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

Mutual funds. Are diversified portfolios of stocks, bonds, and other investments chosen by an investment manager to achieve a stated objective. Each mutual fund is assigned a five-letter symbol that helps investors find information via financial websites and publications. In addition, each mutual fund publishes a prospectus: a formal legal document filed with the SEC that provides details about its investment object, fees, charges and expenses, and related information.

Commingled/Collective Investment trusts (CITs). Are similar to mutual funds, offering many of the same diversification and management services as mutual funds but generally at a lower cost. Specific information about a CIT may be available solely through the Plan that offers it.

Money market investments. Primarily invest in high quality fixed income/bond instruments with maturities of less than one year. These may include instruments issued by financial institutions, non-financial corporations, the U.S. government and federal agencies.

Stable value. An investment category with an objective to preserve principal and provide stable, competitive rate of return. An investment option in this category invests primarily in guaranteed investment contracts and other fixed income/bond instruments that may be covered by a principal guarantee wrap agreement.

Bonds. Invest in fixed income obligations to corporations, municipalities, the federal government or other issuers. Most bonds pay interest until the bond matures. Bonds investment options are portfolios of various bonds that are acquired, held and sold by the investment manager to achieve the investment objective. Bond investment options have the same interest rate, inflation, and credit risks that are associated with the underlying bonds; an investment manager may acquire and hold many different issues of bonds to comprise a given bond investment option.

Balanced funds. Invest in both bonds and stocks. Investment returns are expected to be derived from both current income and capital appreciation. The purpose is to achieve higher returns than bonds but with less volatility or price fluctuation than most stock funds.

Domestic equity. (also known as U.S. equity) Investment options represents a share of ownership in a corporation or certain partnerships. This category is further broken down by capitalization (cap), which essentially means the size of the companies that are being invested in. Domestic equity investment options are portfolios of various stocks that are acquired, held and sold by the investment manager to achieve its investment objective.

- **Domestic large-cap equity** invests primarily in the stocks of the largest companies (generally \$10 billion and greater in market capitalization) in the U.S. These companies tend to be well established with long track records of success and experienced management. Investment returns are expected to be derived primarily from capital appreciation and, to a lesser degree, dividend income.
- **Domestic mid cap equity** invests in medium size companies (generally \$2 billion to \$10 billion in market capitalization). Stocks of mid size companies can experience more volatility than those of larger companies because these companies may have less experienced management, fewer resources and may not be well established in their marketplace.
- **Domestic small cap equity** often consists of young companies generally with a market capitalization of \$2 billion or less. Small cap equities are often more volatile than stocks of larger, more established companies. Smaller companies do not always have the resources and management experience to weather downturns in business cycles.

International or non-U.S. equity. Own shares of companies that are headquartered outside of the U.S. and are listed on foreign exchanges. International investments may be subject to several additional risk factors, such as government instability, currency valuation and market regulation. Despite these added risks, these investments can be an important diversifier to portfolios because foreign or non-U.S. developed stock markets do not always move in the same direction as U.S. markets.

Lifecycle/Target Date. Designed to provide diversification and asset allocation across several types of investments and asset classes. Each vintage represents an inclusive portfolio that is managed for people planning on retiring or using the money in the account at or around the target year named in the specific investment option. 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.



MSRP