



December 21, 2016

MARYLAND
STATE RETIREMENT
and PENSION SYSTEM

STATE RETIREMENT AGENCY
120 East Baltimore Street
Baltimore, MD 21202
Tel: 410-625-5555
1-800-492-5909
TDD/TTY 410-625-5535
sra.maryland.gov

BOARD OF TRUSTEES
Nancy K. Kopp
Chairman

Peter Franchot
Vice Chairman

David R. Brinkley
Eric D. Brotman
James A. Bush, Jr.
James "Chip" DiPaula
Kenneth B. Haines
David B. Hamilton
James M. Harkins
Linda A. Herman
Sheila Hill
F. Patrick Hughes
Charles W. Johnson
Theresa Lochte
Richard E. Norman

R. Dean Kenderdine
Executive Director
Secretary To The Board

Honorable Edward J. Kasemeyer
Chair, Budget & Taxation Committee
Miller Senate Office Building, 3 West
11 Bladen Street
Annapolis, MD 21401

Honorable Douglas J. J. Peters
Senate Chair, Joint Committee on Pensions
Miller Senate Office Building, Room 120
11 Bladen Street
Annapolis, MD 21401

Honorable Maggie McIntosh
Chair, Appropriations Committee
House Office Building, Room 121
6 Bladen Street
Annapolis, MD 21401

Honorable Benjamin S. Barnes
House Chair, Joint Committee on Pensions
House Office Building, Room 151
6 Bladen Street
Annapolis, MD 21401

Dear Chairmen Kasemeyer, McIntosh, Peters, and Barnes:

In accordance with Chapter 459 of the Acts of 2016, codified at § 21-123.2(f)(1) of the State Personnel and Pensions Article of the Annotated Code of Maryland, I am submitting the required annual report providing certain information regarding the venture capital investments of the State Retirement and Pension System (the "System"). The report designation is 10942.

This law requires that the Board of Trustees of the System (the "Board of Trustees") provide the following information annually to the Senate Budget and Taxation Committee, the House Appropriations Committee, and the Joint Committee on Pensions:

- (i) a list of the investments, if any, made under this;
- (ii) the recommendations, if any, made under this section;
- (iii) the actions, if any, taken by the Board of Trustees on the recommendations made under this section;
- (iv) the investment performance of any investments made under this section;
- (v) to the extent possible, an accounting of the fees and expenses incurred under this section; and
- (vi) to the extent possible, the ratio of funds invested in projects under this section to the total percentage of venture capital funds raised in the State by all sources.

Should you require additional information, please call me at (410) 625-5600.

Sincerely,

R. Dean Kenderdine
Secretary to the Board

RDK/def

cc: The Honorable Thomas V. Mike Miller, Jr.
The Honorable Michael E. Busch
Warren Deschenaux
Board of Trustees

Maryland State Retirement and Pension System
Annual Report required pursuant to § 21-123.2(f)(1) of the State Personnel and Pensions
Article of the Maryland Annotated Code of Maryland
Ch. 459 of the Acts of 2016

(i) **a list of the investments, if any, made under this;**

There have not been any investments made under this program. The System is still in an investigation phase to determine the most appropriate way to implement the program.

(ii) **the recommendations, if any, made under this section;**

There have not been any recommendations made under this program. The System is still in an investigation phase to determine the most appropriate way to implement the program.

(iii) **the actions, if any, taken by the Board of Trustees on the recommendations made under this section;**

The System issued an RFI on September 28, 2016 to solicit proposals to administer the program as mandated under this section. Three responses were submitted by the November 10, 2016 deadline. The responses have been reviewed and two of the respondents have been scheduled for onsite interviews in December of 2016.

(iv) **the investment performance of any investments made under this section;**

Not applicable as no investments have been made under this section.

(v) **to the extent possible, an accounting of the fees and expenses incurred under this section; and**

Not applicable as no manager has yet been hired to manage the program.

(vi) **to the extent possible, the ratio of funds invested in projects under this section to the total percentage of venture capital funds raised in the State by all sources.**

Not applicable as no investments have been made under this section.