



MARYLAND
STATE RETIREMENT
and PENSION SYSTEM

STATE RETIREMENT AGENCY
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R. Dean Kenderdine
Executive Director
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December 1, 2011

Honorable Thomas V. Mike Miller, Jr.
President of Senate
State House, H-107
Annapolis, Maryland 21401

Honorable Michael E. Busch
Speaker of House of Delegates
State House, H-101
Annapolis, Maryland 21401

Dear President Miller and Speaker Busch:

As required by State Personnel and Pensions Article §21-315(g), I am submitting an annual report describing the actual amount spent for investment management services during the preceding fiscal year. This report prepared by the State Retirement Agency, is submitted in accordance with the State Government Article §2-1246 of the Annotated Code of Maryland. The report designation is MSAR #1380.

This report includes the following:

- i. A summary of the actual amount spent on management fees broken down by asset class; and
- ii. A summary of the actual amount spent on custody, consultants, currency management, and other services.

Please contact me should you have any concerns or questions regarding this report. I may be reached at (410) 625-5600.

Sincerely,

R. Dean Kenderdine
Executive Director

RDK/pw

Attachment

cc: Warren Deschenaux
Board of Trustees

<u>Management Service</u>	<u>Amount Spent</u>
Public Equity	
Domestic Stocks	\$ 18,043,242
Global Stocks	22,139,275
International Stocks	25,400,548
Total Equity	\$ 65,583,065
Fixed Income	\$ 8,010,563
Credit/Debt Related	21,831,144
Total Fixed Income	\$ 29,841,707
Alternative Investments	
Absolute Return	\$ 21,553,236
Private Equity	37,531,837
Real Estate	23,257,494
Real Return	22,051,260
Total Alternatives	\$ 104,393,827
Currency Management	\$ 13,398,703
Master Custody	691,148
Terra Maria Program Managers	5,020,689
Wilshire Associates	551,467
Other Investment Expenses	685,484
Asset-Income Verification Service	420,000
Investment Consultants	1,532,329
Other Services	\$ 22,299,820
Total Investment Management Services	\$ 222,118,419