



MARYLAND
STATE RETIREMENT
and PENSION SYSTEM

STATE RETIREMENT AGENCY
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R. Dean Kenderdine
Executive Director
Secretary To The Board

December 13, 2012

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,

A handwritten signature in black ink, appearing to read 'RDK', written over a horizontal line.

R. Dean Kenderdine
Executive Director

RDK/pw

Attachment

cc: Warren Deschenaux
Board of Trustees

Management Service	Amount Spent
Public Equity	
Domestic Stocks	\$ 13,093,565
Global Stocks	22,944,065
International Stocks	23,017,715
Total Equity	\$ 59,055,345
Fixed Income	\$ 8,526,092
Credit/Debt Related	35,658,149
Total Fixed Income	\$ 44,184,241
Alternative Investments	
Absolute Return	\$ 26,197,697
Private Equity	45,932,650
Real Estate	30,243,775
Real Return	21,658,286
Total Alternatives	\$ 124,032,408
Currency Management	\$ 9,219,930
Master Custody	728,358
Terra Maria Program Managers	4,983,408
Wilshire Associates	558,533
Other Investment Expenses	433,544
Asset-Income Verification Service	435,000
Investment Consultants	585,000
Other Services	\$ 16,943,773
Total Investment Management Services	\$ 244,215,767