Maryland Teachers & State Employees Supplemental Retirement Plans

Investment Performance Report
July 1, 2008 to September 30, 2008

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: MarylandDC.com. Please consider the fund's investment objectives, risks, and charges and expenses carefully before investing. The underlying fund prospectuses contain this and other information about the investment company. Prospectuses are available by calling 1-800-545-4730. Read carefully before investing.

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. The rates of return do not reflect a maximum deduction of a 0.19% annual plan asset fee, which, if reflected, would reduce the performance shown. No account will be charged more than $2,000 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 Options	4th Qtr 08	3rd Qtr 08	2nd Qtr 08	1st Qtr 08
283	**Investment Contract Pool**	4.400%	4.390%	4.490%	4.810%

VRU	Variable Investment Option	Morningstar Category	1 Yr.	3 Yr.	5 Yr.	10 Yr.	Since Inception	Inception Date	Gross Expense Ratio	Net Expense Ratio
VRU	**Short-Term Investments**									
725	**Vanguard Prime Money Market Fund Inst**									
	Current Yield: 2.39%	Money Market	3.51%	4.54%	3.47%	3.74%	4.57%	10/03/89	.08%	.08%
	Money Market Index									
	Citigroup 3-month T-bill		2.55%	3.98%	3.09%	3.39%		N/A		
VRU	**Bonds**									
654	**PIMCO Total Return Fund Inst**	Intermediate-Term Bond	3.76%	4.41%	4.31%	5.77%	8.05%	05/11/87	0.49%	0.43%†
	Intermediate Term Bond Index									
	Lehman Brothers US Aggregate Bond		3.66%	4.15%	3.79%	5.20%		N/A		
VRU	**Balanced**									
199	**Fidelity Puritan Fund** [1]	Moderate Allocation	-17.13%	1.44%	5.18%	4.97%	11.18%	04/16/47	0.60%	0.60%
	Balanced Index									
	60% S&P 500/40% Lehman Brothers Aggregate Bond		-12.29%	1.94%	4.76%	4.21%		N/A		
VRU	**Large-Cap Stocks**									
375	**Neuberger Berman Partners Fund Inst** [1]	Large Blend	-27.53%	-3.16%	7.38%	4.62%	13.49%	01/17/75	0.66%	0.66%
	Large Cap Blend Index									
	Standard & Poor's 500 Index		-21.98%	0.22%	5.17%	3.06%		N/A		
300	**Legg Mason Value Trust IC** [1]	Large Blend	- 42.01%	-11.92%	-2.48%	3.23%	10.97%	12/01/94	0.69%	0.69%
	Large Cap Blend Index									
	Standard & Poor's 500 Index		-21.98%	0.22%	5.17%	3.06%		N/A		
740	**Vanguard Instl Index Fund IP**	Large Blend	-21.95%	0.24%	5.19%	3.13%	3.97%	07/07/97	0.03%	0.03%
	Large Cap Blend Index									
	Standard & Poor's 500 Index		-21.98%	0.22%	5.17%	3.06%		N/A		
259	**Growth Fund of America A** [1]	Large Growth	-22.92%	0.82%	6.95%	8.49%	14.18%	11/30/73	0.64%	0.61%†
	Large Cap Growth Index									
	Russell 1000 Growth		-20.88%	0.04%	3.74%	0.59%		N/A		
777	**Vanguard Value Index Fund**	Large Value	-24.44%	-0.01%	6.72%	4.62%	9.18%	11/02/92	0.20%	0.20%
	Large Cap Value Index									
	MSCI US Prime Market Value Index		-24.41%	0.10%	6.85%	5.42%		N/A		
766	**Goldman Sachs Large Cap Value Inst** [1]	Large Value	-22.58%	0.29%	7.33%	N/A	4.39%	12/15/99	0.79%	0.79%
	Large Cap Value Index									
	Russell 1000 Value		-23.56%	0.09%	7.12%	5.55%		N/A		
VRU	**Mid-Cap Stocks**									
156	**Dreyfus MidCap Index Fund** [1]	Mid-Cap Blend	-16.94%	1.38%	8.20%	9.74%	11.80%	06/19/91	0.51%	0.50%†
	Mid Cap Blend Index									
	S&P 400 Midcap		-16.68%	1.78%	8.65%	10.29%		N/A		
708	**Van Kampen Midcap Growth Fund A** [1]	Mid-Cap Growth	-29.11%	0.05%	8.37%	7.50%	11.70%	12/27/95	1.21%	1.21%
	Mid Cap Growth Index									
	Russell Midcap Growth		-24.65%	-0.75%	6.53%	5.51%		N/A		
656	**LordAbbett MidCap Value A** [1]	Mid-Cap Value	-27.94%	-4.11%	5.53%	9.65%	11.19%	06/28/83	1.10%	1.10%
	Mid Cap Value Index									
	Russell Midcap Value		-20.50%	0.51%	9.97%	9.19%		N/A		

[1] ***Part of the MSRP Mutual Fund Savings (reimbursement) Program***

† ***Voluntary fee waiver that can be changed at anytime.***

VRU	Variable Investment Option	Morningstar Category	1 Yr.	3 Yr.	5 Yr.	10 Yr.	Since Inception	Inception Date	Gross Expense Ratio	Net Expense Ratio
VRU	**Small-Cap Stocks**									
526	**T. Rowe Price Small Cap Stock Fund** [1]	Small Blend	-17.83%	0.04%	7.26%	8.77%	12.96%	06/01/56	0.89%	0.89%
	Small Cap Blend Index *Russell 2000 Blend*		-14.48%	1.83%	8.15%	7.81%	N/A			
726	**Vanguard Small Cap Growth Index Fund**	Small-Cap Growth	-19.43%	1.55%	8.07%	N/A	6.10%	05/24/00	0.07%	0.07%
	Small Cap Growth Index *MSCI US Small Cap Growth*		-19.62%	1.45%	7.94%	8.22%	N/A			
727	**Vanguard Small Cap Value Index Fund IS**	Small-Cap Value	-14.94%	0.46%	9.02%	9.77%	6.69%	05/21/98	0.22%	0.22%
	Small Cap Value Index *MSCI US Small Cap Value*		-14.95%	0.56%	9.14%	10.24%	N/A			
VRU	**International Stocks**									
166	**EuroPacific Growth Fund A** [1]	Foreign Large Blend	-25.37%	4.57%	12.06%	8.72%	12.27%	04/16/84	0.79%	0.75%†
	International Index *MSCI EAFE (Net)*		- 30.50%	1.12%	9.69%	5.02%	N/A			
759	**Vanguard Total International Stock Index Fund**	Foreign Large Blend	-30.09%	2.61%	11.14%	6.16%	4.56%	04/29/96	0.27%	0.27%
	International Index *MSCI All Country World Ex US*		-30.32%	2.64%	11.34%	N/A	N/A			
VRU	**Retirement Funds***									
724	**T. Rowe Price Retirement Income Fund** [1]	Target Date 2000-2014	-9.42%	2.45%	4.84%	N/A	6.41%	09/30/02	0.56%	0.56%
	Combined Index Portfolio Income		-8.08%	2.80%	4.81%	N/A	N/A			
715	**T. Rowe Price Retirement 2005 Fund** [1]	Target-Date 2000-2014	-12.09%	2.35%	N/A	N/A	3.86%	02/27/04	0.60%	0.60%
	Combined Index Portfolio 2005		-10.53%	2.71%	N/A	N/A	N/A			
716	**T. Rowe Price Retirement 2010 Fund** [1]	Target-Date 2000-2014	-14.93%	1.95%	5.98%	N/A	8.19%	09/30/02	0.63%	0.63%
	Combined Index Portfolio 2010		-13.17%	2.31%	5.89%	N/A	N/A			
717	**T. Rowe Price Retirement 2015 Fund** [1]	Target-Date 2015-2029	-17.08%	1.65%	N/A	N/A	3.80%	02/27/04	0.66%	0.66%
	Combined Index Portfolio 2015		-15.29%	1.93%	N/A	N/A	N/A			
718	**T. Rowe Price Retirement 2020 Fund** [1]	Target-Date 2015-2029	-19.25%	1.24%	6.25%	N/A	8.92%	09/30/02	0.69%	0.69%
	Combined Index Portfolio 2020		-17.30%	1.56%	6.07%	N/A	N/A			
719	**T. Rowe Price Retirement 2025 Fund** [1]	Target-Date 2015-2029	-20.83%	1.01%	N/A	N/A	3.71%	02/27/04	0.72%	0.72%
	CombinedIndex Portfolio 2025		-18.95%	1.29%	N/A	N/A	N/A			
720	**T. Rowe Price Retirement 2030 Fund** [1]	Target-Date 2030+	-22.17%	0.86%	6.62%	N/A	9.44%	09/30/02	0.73%	0.73%
	Combined Index Portfolio 2030		-20.20%	1.17%	6.48%	N/A	N/A			
721	**T. Rowe Price Retirement 2035 Fund** [1]	Target-Date 2030+	-22.86%	0.60%	N/A	N/A	3.55%	02/27/04	0.74%	0.74%
	Combined Index Portfolio 2035		-20.90%	0.94%	N/A	N/A	N/A			
722	**T. Rowe Price Retirement 2040 Fund** [1]	Target-Date 2030+	-22.82%	0.63%	6.48%	N/A	9.37%	09/30/02	0.74%	0.74%
	Combined Index Portfolio 2040		-20.90%	0.94%	6.34%	N/A	N/A			
723	**T. Rowe Price Retirement 2045 Fund** [1]	Target-Date 2030+	-22.83%	0.66%	N/A	N/A	2.34%	05/31/05	0.74%	0.74%
	Combined Index Portfolio 2045		-20.90%	0.94%	N/A	N/A	N/A			
728	**T. Rowe Price Retirement 2050 Fund** [1]	Target-Date 2030+	-22.83%	N/A	N/A	N/A	-8.96%	12/29/06	0.74%	0.74%
	Combined Index Portfolio 2050		-20.90%	N/A	N/A	N/A	N/A			
729	**T. Rowe Price Retirement 2055 Fund** [1]	Target-Date 2030+	-22.83%	N/A	N/A	N/A	-8.96%	12/29/06	0.74%	0.74%
	Combined Index Portfolio 2055		-20.90%	N/A	N/A	N/A	N/A			

Fund expense ratio data provided by Morningstar®. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Although data is gathered from reliable sources, data accuracy and completeness cannot be guaranteed.*

*Net Expense Ratio data is derived from funds' annual reports. Annual-report expense ratios reflect the actual fees charged during a particular fiscal year. The net expense ratio reflects fee waivers in effect during the time period. *Exception: Gross and net expense ratios for the T. Rowe Price Targeted Retirement Funds derived from the funds' prospectuses.*

Nationwide Fixed Annuity (457 plan only) Average Quarterly Annualized Crediting This option is closed to deferrals and transfers from other investment options.			
4th Qtr 08	3rd Qtr 08	2nd Qtr 08	1st Qtr 08
4.50%	4.50%	4.50%	4.55%

Note: The above yields were supplied by Nationwide Retirement Solutions. They are a weighted average of all money held in this investment option, which consists of seven separate pools. The yields do not reflect the deduction of the annual asset fee. The annual asset fee is 0.19%. No account will be charged more than $2,000 in 2008. The actual yield credited to your account may be higher or lower than the yield reflected above. The Nationwide Fixed Group Annuity is issued by Nationwide Life Insurance Company, Columbus, OH. Contract #Life 2183. The 2008 minimum guaranteed yield is 4.10% Guarantees and protections are subject to the claims paying ability of Nationwide Life Insurance Company.

Great West Certificates [403(b) plan only] Quarterly Effective Gross Annual Rates This option is closed to deferrals and transfers from other investment options.			
	4th Qtr 08	3rd Qtr 08	2nd Qtr 08
Dig Fund	4.00%	4.00%	4.00%
36-Mo. Certificate	3.30%	4.00%	2.55%
60-Mo. Certificate	3.75%	4.00%	2.75%
84-Mo. Certificate	3.95%	4.00%	3.15%

Note: The rates do not reflect the deduction of the annual asset fee. The annual asset fee is 0.19%. No account will be charged more than $2,000 for the year.

Contact us

Enrollment and Information Hotline
1-800-845-4730.
For information about the match, to enroll in the 457, 401(k) and 403(b) plans, or to change your contribution amount

Nationwide Retirement Solutions Web Site
MarylandDC.com
For information about the 457, 401(k), 403(b), and 401(a) plans, to enroll, to change your contribution amount, to get 24-hour account information, to make investment option exchanges and allocation changes

Nationwide Retirement Solutions Baltimore Office
410-252-7201 or 1-800-966-6355
To enroll in the 457, 401(k) and 403(b) plans, to change your deferral amount, for mutual fund prospectuses or annual reports, for investment option booklets, or to arrange a meeting with a representative

Nationwide Retirement Solutions Customer Service Center
1-800-545-4730
For account information, to make investment option exchanges and allocation changes, to change address, name or beneficiary, for payout calculations in the 457, 401(k) and 403(b) and 401(a) plans, and for financial hardship inquiries

Maryland Teachers & State Employees Supplemental Retirement Agency Automated Performance Line & "Question/Suggestion Box-By-Phone"
410-767-8740 or 1-800-543-5605
For information about the Maryland Supplemental Retirement Plans, for investment option booklets, to arrange educational seminars and for other general information

MSRP Web Site
msrp.state.md.us
For the latest MSRP news, information available on the Board of Trustees and staff, newsletters, investment options booklets, legislation updates, and more

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RISK DISCLOSURES

Money market funds: Investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other federal government agency. Although the fund seeks to preserve the value of your investment at $1.00 per share, it is possible to lose money by investing in the fund.

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.

T. Rowe Price Retirement Income Funds: The performance and risks of each Retirement Fund will directly correspond to the performance and risks of the underlying funds in which it invests. By investing in many underlying funds, the Retirement Funds have partial exposure to the risks of many different areas of the market. The more a Retirement Fund allocates to stock funds, the greater the expected risk. Underlying fund expenses are proportional to the expenses of the acquired funds in which they invest.

International/emerging markets funds: Investing internationally involves risks not associated with investing solely in the U.S., such as currency fluctuation, political risk, differences in accounting and the limited availability of information.

Small company funds: Stocks of small or emerging companies may have less liquidity than those of larger, established companies and may be subject to greater price volatility and risk than the overall stock market.

Bond funds: Bond funds have the same interest rate, inflation and credit risks that are associated with the underlying bonds owned by the fund..

Some mutual funds may impose a short term trade fee. Please read the underlying prospectuses carefully.

IMPORTANT DISCLOSURES
Investment Contract Pool available for 457, 401(k) and 401(a) plans only.
Vanguard Prime Money Market Fund available for 403(b) plan only.

Investing may involve market risk, including the possible loss of principal.

Inception Date is the date the underlying fund was established. 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.

Market indices have been provided for comparison purposes only; they are unmanaged and no fees and expenses have been reflected here. Individuals cannot invest directly in an index.

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