Exhibit A

MSRP

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BOARD OF TRUSTEES FOR THE MARYLAND TEACHERS & STATE EMPLOYEES SUPPLEMENTAL RETIREMENT PLANS MINUTES OF THE January 28, 2013 MEETING

The Board of Trustees of the Maryland Teachers and State Employees Supplemental Retirement Plans convened at 10:37 a.m. on January 28, 2013 in Baltimore. A quorum was present.

Members Present
Ms. T. Eloise Foster
Mr. Nathaniel Byrd
Mr. Thomas Hickey
Treasurer Nancy Kopp (*via telephone*)
Mr. Wilson Parran
Ms. Christina Wyskiel
Ms. Marcia Zercoe

Representatives and Guests
Mr. Michael Halpin, Staff
Ms. Lara L. Hjortsberg, Board Counsel
Ms. Debra Roberts, Staff
Mr. Richard Arthur, Staff
Mr. Louis Holcomb, Staff
Ms. Anna Marie Smith, Staff
Mr. David Belnick, Nationwide Retirement Solutions
Mr. David Berg, DB Advisors
Mr. John Axtell, DB Advisors
Mr. John DeMairo, Segal Rogerscasey
Ms. Emily Boccuzzi, Segal Rogerscasey

I. Chairperson's Remarks

Upon motion duly made and seconded, the minutes of the open session and the Executive Session of the regular meeting of the Board of Trustees held on November 19, 2012 were unanimously approved. (The minutes of the open session are attached hereto as Exhibit A. The minutes of the Executive Session are confidential and filed separately.)

II. Administrator's Report & Marketing Plan Update

Mr. David Belnick provided an overview of Nationwide Retirement Solutions' Scorecard and 2013 Marketing and Communication Plan (Exhibit B). He first reviewed the MSRP initiatives for each of the four quarters in 2012. In response to a question from Treasurer Kopp regarding the results of the various initiatives, Mr. Belnick stated that he should have results to share with the Board at its February meeting. Mr. Belnick then reviewed the Marketing and Communications Plan for 2013 with the Board. He noted the overarching plan goals of making it easy for MSRP participants to make decisions and take actions and to retain and grow assets in the MSRP plans and discussed the three objectives associated with meeting those two goals: increasing deferrals, increasing enrollments and retaining plan assets. With respect to each objective, he presented the strategies and tactics to be employed in achieving these objectives. In closing, Mr. Belnick highlighted several customer service comments received by NRS during 2012.

III. Investment Advisors' Reports:

A. Segal Rogerscasey

Mr. John DeMairo presented a Performance Flash Update through December 31, 2012, including the expense ratio and quarterly, year-to-date, 1-year, 3-year and 5-year performance for the investment options. He emphasized the following points during his presentation:

- The Vanguard Total Bond Fund exhibited performance in line with the market but was in the bottom quartile. He explained that this was attributable to the fact that the indices tend to be government-focused, and there was differing performance between government bonds versus corporate bonds for the year.
- Five of the six passive fund options performed at or above median for the 1-year period.
- Eight of the ten active core options outperformed the benchmark for the 1-year period; and nine out of ten of these options performed above median for that period, with returns ranging from 10% to 21%.
- American Funds Growth Fund of America remains on the Watch List but returned 20.98%, outperforming its benchmark, for the 1-year period.
- The 1-year results for the Life Cycle Funds were all above benchmark and median, with the lowest return at 10% and the highest at 17.6% and expense ratios ranging from 56 bps to 76 bps.

Mr. DeMairo noted that a full presentation regarding the 2012 results would be made at the February meeting.

B. DB Advisors

Mr. John Axtell gave a brief review of the investment contract pool (“ICP”) (Exhibit D). He summarized the restructuring of the ICP during 2012. He noted that as a result of the restructuring, the resultant structure of the ICP includes agreements with four insurance companies which he believes are committed to remaining in the stable value market. He also noted that all of the wrapper contracts now contain book value discontinuance provisions with final settlement dates that are consistent with the ICP Investment Policy. He highlighted the manager changes that resulted in the addition of EARNEST Partners to replace Goode Investment Management and the addition of Babson Capital to replace HIMCO. He closed his presentation by summarizing the current structure of the ICP.

IV. Staff Reports

A. Finance

Ms. Roberts began her presentation by noting the recent receipt from the Government Finance Officers Association of a Certificate of Excellence for the MSRP 2011 Comprehensive Annual Finance Report (CAFR). Members congratulated and thanked Mr. Halpin, Ms. Roberts and MSRP staff on their efforts.

Ms. Roberts delivered the agency budget and expenditure report (Exhibit E) as of December 31, 2012. She noted that year to date revenues were $848,762, or 4.2% more than budget, and expenditures were $668,078, or 10.6% less than budget. She explained each of the favorable and unfavorable variances for the expenditure line.

Field Services

Mr. Holcomb presented the field staff report (Exhibit F), which included an overview of MSRP field department 2012 events, seminar ratings provided by State employees, a summary of outcomes of the seminars, a listing of the 2013 featured monthly workshops and an activity preview for 2013.

V. Committee Reports

A. Audit Committee

No report at this time.

B. Investment Committee

No report at this time.

C. Executive Committee

No report at this time.

VI. Board Secretary's Report

Mr. Halpin presented the Board Secretary's Report (Exhibit G). He explained that the schedule for the Board's January meeting normally included proposed changes to the investment policy but that because there had been no meeting of the Investment Committee prior to this meeting and no recommendations from the advisors with respect to the investment policies, that item was not on the agenda for the meeting. He proceeded to discuss with the Board the receipt by MSRP of checks totaling $533,700.35 as settlement payments in the Invesco class action. He explained that the case involved unlawful market-timing and late trading in the Invesco Funds. He reminded the Board that MSRP had previously received a much larger settlement of $3.8 million as the result of the SEC's case against Invesco in 2011, noting that in that case, the SEC's requirements for MSRP's distribution were more specific and that the Board had ultimately decided to distribute the proceeds of the SEC settlement to current and past participants who had actually been invested in the Invesco Dynamics Fund. He noted that with the current settlement, the estimated cost of distributing the settlement funds in the same manner as was done in the SEC settlement was substantial, approaching 20% of the settlement proceeds. He outlined three examples for the Board's consideration in distributing the current settlement proceeds:

- Offset Participant Board Fees – The settlement proceeds would be deposited in the Board's reserve fund and a Board asset fee holiday (5 bps, or 42 cents per $100,000 balance, per month) would be provided to current participants. The fee holiday would last 4 to 5 months. There are no distribution expenses associated with this option as it would be communicated to participants on their statements with no separate mailings required.
- Per Capita Allocation to Participant Accounts – Each active participant account would receive a flat amount (approximately $8.00). The estimated cost of this option is $13,000 for IT operations at NRS.
- Pro Rata Allocation to Invesco-Invested Participants – This option would require a determination of all current participant accounts during the settlement period and an allocation of a proportional share of each plan settlement relative to a participant's average holdings. The estimated cost of this option is approximately $40,000 for IT operations at NRS and mailing notices to affected participants. This option would require more time to complete because there would be a delay in getting this on the programming calendar at NRS.

It was initially noted that the fee holiday option was the easiest to administer. There was a discussion of equity of not distributing the proceeds to participants actually affected by the behavior in the class action case. The maximum estimated allocation under each option was discussed. There was a discussion of whether the easiest option (fee holiday) was not necessarily the fairest in that affected participants, who could receive up to $1,500 under option 3, would not receive that compensation. It was noted that the SEC settlement was the primary settlement with respect to the late trading and market-timing allegations, and that affected participants, some of whom received as much as $20,000 in that distribution, had been compensated as part of the SEC settlement. It was also noted that it may be that participants who would be considered "affected" may not be the participants who had been "wronged the most" because of the nature of the market-timing and late trading behavior involved in the case.

There was a discussion as to why the third option was so expensive if the determination of affected participants had previously been made with respect to the SEC settlement. Ms. Hjortsberg explained that the settlement period for the class action settlement was actually six months longer on either side of the SEC settlement period so a new determination of affected participants would have to be performed. She also noted that if the same method of distribution was used in the current class action settlement distribution, the cost associated with processing checks and mailing them to past participants in this instance would increase the cost to approximately $100,000, or 20% of the class action settlement proceeds. She noted that in the SEC settlement distribution, there were an estimated 5,500 past participants who were mailed checks, at a cost of $10 per check, or $55,000. The cost of distributing the settlement proceeds to both active and former participants was estimated at $75,000, which represented about 2% of the settlement proceeds in the SEC settlement. She also explained that NRS estimated that 10% of the checks were returned undeliverable in the SEC settlement distribution and that because the current distribution would be occurring farther in time from the settlement period, it would be likely that this number would increase, in which case more of the settlement proceeds would be treated as unclaimed property.

Ms. Hjortsberg noted that she and Mr. Halpin had discussed the mechanics of the first option as it related to the general requirement that the settlement proceeds attributable to a plan be distributed only to that plan. She reported that they had discussed the fact that because Board expenses and the reserve account associated with the plans are not segregated by plan but are commingled in the single account, it was not possible to separate the spend-down of each plan settlement fund for purposes of the fee holiday but that the fee holiday would essentially be a pro rata distribution of the settlement proceeds because of relative the size of the plans and the size of the distribution checks received by each plan. For instance, the 457 Plan had received the largest settlement check ($324,744.24) whereas the 403(b) Plan had received a smaller settlement check ($35,757.09). Because more assets are in the 457 Plan, under the fee holiday option, it would receive a proportionately higher "distribution" of the class action settlement proceeds. Mr. Halpin noted, however, that if the Board were to waive the $0.50-per-month Board fee in addition to or in lieu of waiving the Board asset fee, it could disproportionately benefit the participants with smaller accounts.

There were questions as to how the fee holiday would be communicated to participants. Mr. Halpin noted that it would be explained on the next participant account statement that the Board has decided to authorize a fee holiday in order to distribute the Invesco class action settlement proceeds. The Board members requested that they be provided with a copy of the communication prior to it being released to participants.

After further discussion of the costs and benefits of distributing to affected participants versus providing active participants with the fee holiday, Ms. Zercoe made a motion, which was seconded by Mr. Hickey, to proceed with the first option. It was clarified that the Board intended to provide a fee holiday only with respect to the 5 bps Board asset fee and that $0.50-per-month fee would not be affected by the fee holiday.

The following resolution, the form of which (without an option designated) was provided to the Board prior to the meeting, as part of the Board Counsel Report (Exhibit H), was adopted by a majority of the Board present at the meeting. Ms. Wyskiel voted against the motion.

RESOLUTION

Whereas, the MSRP plans have received $533,700.35 from the Invesco Class Action Settlement in settlement of a class action proceeding known as *In re Mutual Funds Investment Litigation* pursuant to which damages and other relief arising out of alleged market-timing, late trading, and short-term and excessive trading in the Invesco/AIM Funds were sought;

Whereas, the MSRP maintained an investment in the Invesco Dynamics Fund, a fund affected by the above-referenced class action proceeding, during the settlement period (January 1, 2000 through July 31, 2003);

Whereas, the Trustees, exercising their authority under State Personnel and Pensions Art. §35-205, have determined that the Invesco Class Action Settlement proceeds should be redistributed to participants pursuant to the first option presented in the Secretary's Report (Exhibit G to the Board Meeting Materials for the Board Meeting Scheduled for January 28, 2013), pursuant to which the funds would be deposited in the Board reserve account and used to offset the Board asset fee until such time as the funds were exhausted,

Now, therefore, be it hereby, Resolved, that

1. The proceeds of the Invesco Class Action Settlement shall be distributed in accordance with the first option as set forth in the Secretary's Report (Exhibit G to the Board Meeting Materials for the Board Meeting Scheduled for January 28, 2013), pursuant to which the Invesco Class Action Settlement proceeds will be deposited in the Board reserve account and used to offset the Board asset fee until such time as the funds were exhausted.

2. The Executive Director is responsible for oversight of the distribution of the proceeds of the Invesco Class Action Settlement and its execution by the Plan Administrator, Nationwide Retirement Solutions.

Secretary Foster requested that Mr. Halpin review the budget remarks that would be presented at the budget hearings being held the next day. Mr. Halpin reviewed the prepared remarks. He noted that the testimony responded to three comments from the budget analysts requesting (1) a discussion of MSRP's strategies for reversing participation declines and prospects for future growth; (2) comment on whether additional changes to plan offerings are warranted to improve overall performance relative to the composite benchmark the budget analysts used in analyzing one-year investment returns; and (3) response to a recommendation that $50,000 of the agency's appropriation be withheld until the Board adopts a fee relief plan that would reduce the Board's reserve fund to no more than 25% of the agency's operating costs by the end of fiscal year 2014. Mr. Halpin recalled the outreach efforts previously discussed at the meeting in response to the first comment. With respect to the second comment, he noted that the budget analyst sought to draw conclusions solely on the aggregated one-year returns of the plan options as compared to the aggregated one-year benchmark of the investment returns for all of the options. He explained that the response would be that the Board measures success in long-term returns and that the following month will begin the biannual review of all plan investments. For the third issue, he would object to the $50,000 holdback as unnecessary at present given the volatility of short term projections but that the Board expected to determine a prudent fee adjustment later in the year. He explained that, depending on market conditions, the fee holiday approved at this meeting could be extended and monitored for a sufficient period of time to exhaust any excess reserve fund balance.

VII. Board Counsel's Report

Ms. Hjortsberg had no separate report to provide beyond what she had discussed during the Secretary's Report above.

VIII. New Business

No new business was presented for discussion.

IX. Adjournment

A motion to adjourn was entered at 12:20 p.m., seconded, and carried unanimously.