Exhibit A

BOARD OF TRUSTEES FOR THE MARYLAND TEACHERS & STATE EMPLOYEES SUPPLEMENTAL RETIREMENT PLANS MINUTES OF THE May 20, 2013 MEETING

William Donald Schaefer Tower
Suite 200
6 Saint Paul Street
Baltimore, Maryland
21202-1608

Telephone: 410–767–8740
Toll-Free:: 1–800–543–5605

TTY: Use 711 in Md.
Or 1–800–735–2258

Fax: 410–659–0349

The Board of Trustees of the Maryland Teachers & State Employees Supplemental Retirement Plans convened at 9:40 a.m. on May 20, 2013 in Baltimore. A quorum was present.

Members Present
Ms. T. Eloise Foster
Ms. Sabrina Bass
Treasurer Nancy Kopp
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
Ms. Brenda Anderson, Nationwide Retirement Solutions
Mr. David Berg, Deutsche Asset & Wealth Management
Mr. John Axtell, Deutsche Asset & Wealth Management
Ms. Lucille Douglas, Deutsche Asset & Wealth Management
Mr. John DeMairo, Segal Rogerscasey
Mr. William Seymour, SB & Company, LLC
Mr. Graylin Smith, SB & Company, LLC
Mr. Chris Lehman, SB & Company, LLC

I. Chairperson's Remarks

Upon motion duly made and seconded, the minutes of the regular meeting of the Board of Trustees held on February 25, 2013 were unanimously approved. (The minutes are attached hereto as Exhibit A.)

II. Employee Service Awards

Chairperson Foster began the meeting by noting that the Governor had designated May 8, 2013 as recognition and appreciation month for State employees. Ms. Foster gave recognition to the following employees:

Janet Wilt – 20 years of State Service
Anna Marie Smith – 15 years with MSRP
Dianne Raitzyk – 25 years with MSRP

Board members joined Ms. Foster in expressing thanks and appreciation for their dedicated service.

III. Administrator's Report & Marketing Plan Update

Mr. David Belnick delivered the Administrator's report for the first quarter of 2013 (Exhibit B). He began the report by noting several personnel changes in the Hunt Valley office. He also reported that as a result of the MBE initiative with Financial & Realty Services, two new administrative assistants and one personal retirement counselor (PRC) had been added.

Mr. Belnick next updated the Board on the following:

- Addition of a search feature to the website
- Completion of focus group to improve web access with mobile devices
- Near completion of the compliance coordinator project for 403(b) hardships and loan tracking to ensure that they are consistent with the 403(b) regulations as part of a consortium with 403(b) providers to University of Maryland System employees.
- Completion of training on profile forecaster, which will give participants a more complete picture of retirement readiness
- Saving$ Expos scheduled for the following day in Salisbury and later in the week in Frostburg

Mr. Belnick then proceeded to the administrative portion of the report, noting that total assets as of March 31, 2013 were $2.88 billion; deferrals were up slightly, rollovers were down slightly; and assets had increased overall by approximately $148 million. He reviewed the allocation of assets and contributions in the Plans, noting that there had not been much change from the previous quarter. Mr. Belnick then reviewed the mutual fund reimbursements for the first quarter and year-to-date, noting that they were down by approximately $102,000, as compared to the first quarter in the previous year. He reported on participant account activity for the first quarter, noting a decrease in new accounts of 0.95%, as compared to the first quarter in 2012 but a slight increase in new enrollments as compared to previous quarters. He closed the administrative portion of the presentation with a comparison of distributions and contributions for the first quarter, noting that distributions had outpaced contributions by $1.90 million in the first quarter of 2013, as compared to a net increase of $1.87 million in the first quarter of 2012.

Mr. Belnick then proceeded to the marketing updates, stating that the overall plan participation rate was 75.02% of eligible employees, with 45.6% participants actively deferring. He continued to the NRS RS/Customer Service Production Summary, noting that there were 627 new enrollments in the first quarter of 2013, an increase of 53 from the fourth quarter of 2012. He also noted that there were 1,534 increases during the first quarter, which represented an increase of 151 as compared to the previous quarter. He noted a reduction in decrease activity but an increase in suspension activity, which was the highest over the last five quarters. Mr. Belnick then presented the loan and hardship analysis, noting loans totaling slightly over $6 million and 557 hardships during the first quarter.

Mr. Belnick provided the field update and rollover report for the quarter and noted an MBE participation rate of 10% for the year to date.

IV. Comprehensive Annual Financial Report

Mr. William Seymour of SB & Company presented the audit results included as part of the 2012 Comprehensive Annual Financial Report (CAFR) (Exhibit G), and distributed Exhibit G-1 as supplemental material for the report. He described the scope of services for SB & Company: audits of the December 31, 2012 financial statements for each of the Plans; review of the CAFR; and certain agreed upon procedures that test the accuracy of individual participant account records. He noted that the auditors intended to issue an unqualified opinion with respect to the financial statements. He explained that the auditors did not discover any material weaknesses or instances of fraud, and he confirmed that his firm had received the full cooperation of management during the audit. He noted no significant findings with respect to the agreed upon procedures. He anticipated one or two that would end up reporting but nothing that indicated a sign of a problem in the underlying participant level transactions. He reviewed the audit plan with the Board and areas of audit emphasis. He stated that the auditors did not note any significant issues.

Mr. Seymour then gave a brief summary of the statements. He stated that he had one item to bring to the attention to the Board, which had been identified by management. This item consisted of certain accounts that had not previously been reported as expenses, which resulted in a $4 million adjustment to the prior period. He noted this was a financial reporting item, did not indicate an issue with the financial statements and did not impact the audit opinion.

He noted that the MSRP had received a Certificate of Excellence in Financial Reporting Award by the Government Finance Officers Association for the past two years and that the 2012 financial statements would be submitted again for consideration for the Certificate of Excellence this year as well.

In response to questions from the Board members, Mr. Seymour explained the sampling process with respect to the participant accounts during the audit. He then provided a summary of certain “Generally Accepted Auditing Principals” required communications relating to the scope of auditing opinions (Exhibit G-1, pages 5-8)

In response to questions from the Board members, Mr. Graylin Smith provided a brief explanation of the differences in procedures and risk focus between auditing a defined benefit plan versus a defined contribution plan.

Ms. Roberts then gave a summary of the draft CAFR and its component parts. She noted that she had provided the draft CAFR to the Audit Committee. She explained that the final CAFR would include any changes from the Audit Committee, as well as the final auditor opinion, but that she did not expect any changes to the numbers included in the draft CAFR presented at this meeting.

Upon motion duly made and seconded, the CAFR as presented at the meeting was unanimously approved.

V. Investment Advisors' Reports:

A. Deutsche Asset & Wealth Management ("DB")

Mr. John Axtell noted that he had delivered a detailed report on the first quarter performance for the investment contract pool ("ICP") (Exhibit D) at the Investment Committee meeting immediately prior to the Board meeting, and that he would provide the Board with highlights of that report. He emphasized the following points:

- Yield for the first quarter was 2.33%, an increase of 12 bps from the fourth quarter of 2012.
- Market-to-Book ratio decreased slightly during the first quarter to 103.8% from 104.1% at the end of the fourth quarter.
- Sub-manager performance for the first quarter was strong, with all managers exceeding their benchmarks: PIMCO +0.20%, JPMorgan +0.18%, Babson +0.14% and Earnest +0.09%.
- Assets under management were $790 million and net participant cash flows were $2.4 million.
- As compared to the stable value universe, the ICP ranked in the top half of the universe with respect to the gross participant crediting rate.

Mr. Axtell then proceeded to explain to the Board two trading issues DB had discovered with respect to two of the managers. He noted that Babson Capital had executed fourteen trades with Deutsche Bank as the counterparty and purchased six securities with Deutsche Bank in the underwriting syndicate and that Earnest Partners had executed one trade with Deutsche Bank as the counterparty. He explained that in each instance, the trades were made in violation of the respective contracts with the managers and that DB's compliance and legal groups were working with the managers on corrective actions, including reimbursing the ICP for damages. He also noted that the managers had each assured DB that they have put corrective procedures in places to prevent future violations.

B. Segal Rogerscasey

Mr. John DeMairo noted that he had presented a detailed report (Exhibit C, C-1, C-2, C-3 and C-4) to the Investment Committee at the meeting immediately preceding the Board meeting and provided the following highlights of that report:

- Fixed income options accounted for 36% of the market value of the Plans; equity accounted for 43% and balanced options (target-date funds and Fidelity) accounted for 20%.
- Stable value accounted for 32% of the market value of the Plans; active options accounted for 37%; passive options accounted for 20% and the target-date funds accounted for 12%.
- The split between active and passive options remained at two-thirds/one-third, respectively.
- Target-date options accounted for 23% of contributions during the quarter, whereas stable value accounted for 30% and equities accounted for 36%.
- For performance vs. market index, the quarter itself was not as strong on a relative basis but that there was more outperformance for the one-, three- and five- year periods; American Funds Growth Fund underperformed for most of the periods presented but outperformed for the one-year period; Morgan Stanley Institutional Trust underperformed for all periods presented.
- On a peer-to-peer basis, in general the performance was positive, noting that eight of the ten funds were above median and that the remaining two were in the third quartile.
- American Funds Growth Fund and Morgan Stanley Institutional Trust were both red for risk and return on the Risk Return Summary.
- It was noted that the T. Rowe Price target-date funds had a higher rate of return and therefore higher risk because of a higher equity and international exposure than their peer groups.

Ms. Zercoe noted that the international exposure of the T. Rowe Price funds would be discussed during the Investment Committee report later in the meeting. She explained that there was some concern as to the slip in rankings and that in some of the funds the international exposure was as high as 30% and that when these funds were introduced to the Plans, the international exposure was between 15% and 19%.

VI. Staff Reports

A. Finance

Ms. Roberts delivered the agency budget and expenditure report (Exhibit E) as of April 30, 2013. She noted that year to date revenues were $1,848,616, which was $491,044, or 36.17%, more than budget. She explained that this variance was associated with the Invesco settlement funds that had been transferred to the MSRP reserve account. She noted expenditures of $1,175,428, which was $71,015, or 5.7%, less than budget. She explained each of the favorable and unfavorable variances for the expenditure line. She noted that the reserve balance as of April 30, 2013 was approximately $1,333,357, as compared to a reserve balance of $382,656 at June 30, 2012. She also noted that the Board asset fee income was suspended for approximately 5 month beginning with the usual charge taken on the April 30, 2013 assets.

Ms. Roberts then reviewed with the Board the memo regarding the 401(k) special rollover bank account (Exhibit E-1). She explained that this account was a residual account that related back to December 2001, before which time the agency had been responsible for the in-house administration of the 401(k) rollover accounts. She stated that MSRP believed that the residual balance was attributable to investment trade transactions that were never allocable to specific participants and were used for adjustments in correcting errors or omissions and to cover timing losses on trades at various times. She noted that staff recommended that the balance in this bank account ($65,057 as of March 31, 2013) be transferred to the Board reserve account and be added to the Invesco settlement funds to extend the previously approved fee holiday. Upon motion duly made and seconded, the recommendation regarding the 401(k) special rollover bank account was approved.

Field Services

Mr. Holcomb presented the field staff report (Exhibit F), including a review of the benefit fair summary, field feedback and MSRP responses, and various handouts for the 2013 MSRP Saving$ Expo.

VII. Committee Reports

A. Audit Committee

No report at this time.

B. Investment Committee

Ms. Zercoe explained that the Investment Committee had discussed two funds on the watch list: American Funds Growth Fund and the Morgan Stanley Institutional Trust. With respect to the American Funds Growth Fund, she noted that its performance had improved significantly over the last year and that it would remain on the watch list but was likely to come off of the watch list after another quarter of performance. With respect to the Morgan Stanley Institutional Trust, she explained that the fund had been put on watch in the previous quarter and would remain on watch for the time being.

She noted that Mr. DeMairo had provided an asset education report to the Investment Committee at its meeting and that the report covered certain asset classes that were not included as stand-alone options in the Plans. She noted that no manager searches were implemented with respect to these asset classes but that there was a discussion of polling the participants again, as such the last polling of participants had been approximately four years ago.

Ms. Zercoe returned to the discussion of the increasing international weightings in the T. Rowe Price funds, noting that it was possible that participants were not fully aware of the extent of the exposure and the attendant risk of international investing, including foreign currency risk. She noted that there would be a meeting with T. Rowe Price to discuss the management of the funds, including the international exposure. Treasurer Kopp noted that there would be also be a general inquiry with respect to the currency hedging practices of the managers of the other investment options in the Plans as well so that any risk could be more fully understood.

C. Executive Committee

No report at this time.

VIII. Board Secretary's Report

Mr. Halpin gave a report on recent activity. He explained that a part-time field representative had filled the vacant full time field representative position, which left the agency with a vacancy in that part-time position. He and Mr. Holcomb noted that they expected to fill the field position shortly and that the agency expected to return to full staffing before the end of the fiscal year. Mr. Halpin also noted that a second set of open enrollment benefit fairs would be held in the fall.

IX. Board Counsel's Report

No report at this time.

X. Executive Session

None.

XI. New Business

No new business was presented for discussion.

XII. Adjournment

A motion to adjourn was entered at 11:40 a.m., seconded, and carried unanimously.