



SRPS
Investment Section

CHIEF INVESTMENT OFFICER'S REPORT

INVESTMENT OVERVIEW

The Maryland State Retirement and Pension System returned 14.37 percent net of fees in fiscal year 2014. After the payment of benefits, the market value of assets increased by approximately \$5.1 billion, from \$40.3 billion on June 30, 2013 to \$45.4 billion on June 30, 2014. All major asset classes produced positive returns for the year. The fund exceeded its actuarial return target of 7.65 percent, and also outperformed its policy benchmark of 14.16 percent.

For the second consecutive fiscal year, public equity was the best-performing asset class, with a return of 22.1 percent. This return trailed the public equity benchmark of 23.1 percent.

The public equity program has three components: U.S. equities, international equities and global equities. The U.S. public equity portfolio returned 26.1 percent, beating the return of the Russell 3000 Index, which returned 25.2 percent. The international equity portfolio returned 20.4 percent compared to 21.8 percent for its benchmark, the Morgan Stanley Capital International (MSCI) All Country World ex-U.S. Index. The global equity portfolio returned 21.1 percent compared to 23.0 percent for its benchmark, the MSCI All Country World Index, a broad measure of stock performance in the developed and emerging markets. The underperformance of the international and global equity programs relative to their respective benchmarks can be attributed to losses from the System's currency overlay program as a result of a weakening U.S. dollar relative to foreign currencies, as well as the long/short equity strategies in the global equity program. Active management by the long-only managers added value in all three public equity programs.

The fixed income portfolio returned 4.6 percent, compared to 3.6 percent for its blended benchmark: 80 percent Barclays Capital (BC) Intermediate Aggregate Index and 20 percent BC Global Bond 1 – 10 year Index. The credit/debt strategies portfolio returned 11.5 percent compared to 8.7 percent for its blended benchmark: 50 percent BC High Yield Index, 20 percent BC Credit Index, 20 percent JP Morgan GBI EM Global Diversified, and 10 percent S&P/LSTA Leverage Loan Index. The portfolio was established in 2009 to take advantage of the dislocation in the credit markets, and is expected to provide near equity-like returns at a reduced level of risk.

The real return portfolio returned 7.0 percent, compared to 6.0 percent for its blended benchmark, which consists of three components:

- 30 percent Dow Jones UBS Commodities Index (total return);
- 10 percent Consumer Price Index + 5 percent, with this second component having a maximum total benchmark return of 8 percent; and
- 60 percent inflation linked bonds (consisting of 50 percent BC U.S. Treasury Inflation-Protected Securities (TIPS) Index and 50 percent BC Global Inflation Linked (U.S. dollar hedged) Index).

The absolute return portfolio returned 7.6 percent, matching the 7.6 percent return for its customized benchmark: Hedge Funds Research, Inc. (HFRI) Fund of Funds Index. The real estate portfolio returned 14.2 percent versus 13.7 percent for its blended benchmark: NCREIF Fund Index - Open End Diversified Core Equity (NCREIF ODCE) and the Financial Times Stock Exchange European Public Real Estate Association/NAREIT Developed REIT Index (Net) (FTSE EPRA NAREIT).

The private equity program returned 19.6 percent, compared to the 18.6 percent return of its customized benchmark, the State Street Private Equity Index (one quarter lag).

The System's Terra Maria program returned 19.6 percent, compared to 19.3 percent for its customized benchmark. As more fully described below, the program is comprised of smaller investment management firms focusing primarily on equity and fixed income investments.

INVESTMENT POLICY AND OBJECTIVES

The Board of Trustees is charged with the responsibility of managing the assets of the System. In doing so, the Board is required to exercise its fiduciary duties solely in the interest of the participants with the care, skill and diligence that a prudent person would exercise under similar circumstances. This standard of care encourages diversifying investments across various asset classes.

Investment objectives are designed to support fulfillment of the Board's mission to optimize risk-adjusted returns to ensure that sufficient assets are available to pay benefits to members and beneficiaries when due. As a long-term

investor, the Board understands that short-term market returns will fluctuate.

These investment objectives are implemented in accordance with investment policies developed by the Board. The “prudent person standard”, as outlined in both the Maryland Annotated Code and the Board’s investment policies, allows for the Board to set investment policies and delegate authority to investment professionals employing active and passive strategies. Firms retained must have a demonstrated performance record and a clearly defined and consistently applied investment process.

The Board manages the System’s assets with the goal of achieving an annualized investment return that over a long-term time frame: (1) meets or exceeds the System’s investment policy benchmark; (2) in nominal terms, equals or exceeds the actuarial investment return assumption of the System adopted by the Board; and (3) in real terms, exceeds the U.S. inflation rate by at least 3 percent. A more detailed discussion of each of these goals follows below.

1. **Meeting or exceeding the System’s Investment Policy Benchmark.** The Investment Policy Benchmark is calculated by using a weighted average of the Board-established benchmarks for each asset class. This benchmark enables the comparison of the System’s actual performance to a passively-managed proxy and measures the contribution of active management and policy implementation to overall fund returns.
2. **In nominal terms, equaling or exceeding the actuarial investment return assumption of the System adopted by the Board.** The actuarial rate of interest for fiscal year 2014 was 7.65 percent. The actuarial investment return assumption functions as an estimate of the long-term rate of growth of the System’s assets. The Board has determined that this assumption will reduce .05 percent each year for the next two years, until it reaches 7.55 percent. In adopting an actuarial return assumption, the Board anticipates that the investment portfolio may achieve higher returns in some years and lower returns in other years.
3. **In real terms, exceeding the U.S inflation rate by at least 3 percent.** The inflation related objective compares the investment performance against

a rate of inflation measured by the Consumer Price Index (CPI) plus 3 percent. The inflation measure provides a link to the System’s liabilities, which have an embedded sensitivity to changes in the inflation rate.

In addition to prudent investment objectives, asset allocation is also a key determinant of a successful investment program. The Board considers the System’s assets and liabilities when determining its asset allocation policy. It does this, in part by weighing three liability-oriented objectives when making asset allocation determinations:

1. achieve and maintain a fully funded pension plan;
2. minimize contribution volatility year to year; and
3. realize surplus assets.

Asset allocation long-term policy targets are determined by recognizing that liabilities (future benefit payments to the System’s participants and beneficiaries) must be paid in full and on time. To ensure this, the long-term policy targets are established with a dual focus. First, there is a focus on long-term return, to ensure that an attractive rate of return on plan assets can be earned over the period that benefits must be paid. Secondly, there is a focus on risk. This involves diversifying assets with a recognition that while individual asset classes can be volatile over short time horizons, diversification will often serve to lower overall portfolio volatility.

The Board’s long-term asset class targets and ranges as of June 30, 2014 are shown below.

| ASSET CLASS | LONG-TERM POLICY TARGET RANGE | |
|----------------------------|----------------------------------|--------------|
| Domestic Equity | | |
| International Equity | | |
| Global Equity | | |
| Total Public Equity | 35% | +/-4% |
| Private Equity | 10% | +/-4% |
| Fixed Income | 10% | +/-4% |
| Credit / Debt Strategies | 10% | +/-4% |
| Real Estate | 10% | +/-4% |
| Real Return | 14% | +/-4% |
| Absolute Return | 10% | +/-4% |
| Cash | 1% | 0-5% |
| TOTAL ASSETS | 100% | |

Due to the requirements of enacting a prudent pacing schedule to achieve full allocations to private market assets such as private equity and real estate, transitional allocations are implemented as assets are gradually and judiciously deployed to private market asset classes. Assets not yet deployed to private equity, credit/debt strategies and absolute return are assigned to the public equity transitional target. Assets not yet deployed to real

estate and real return are assigned to the fixed income transitional target.

INVESTMENT PERFORMANCE

Investment performance is calculated using time-weighted rates of total return. Total return includes interest and dividends, as well as capital appreciation.

The investment program realized a return of 14.37 percent for fiscal year 2014. Annualized returns for the 3-, 5-, 10-, 20- and 25-year periods ending June 30, 2014 were 8.3 percent, 11.7 percent, 6.5 percent, 7.3 percent and 7.8 percent, respectively.

| | FY 2014 SRPS Performance | FY 2014 Benchmark Performance | SRPS Exposure June 30, 2014 |
|---------------------------------|---|--|--|
| Public Equity | 22.1% | | 38.9% |
| Custom Benchmark | | 23.1% | |
| U.S. Equity | 26.1% | | 10.3% |
| S&P 500 | | 24.6% | |
| Russell 3000 | | 25.2% | |
| International Equity | 20.4% | | 12.1% |
| MSCI ACWI ex. U.S. | | 21.8% | |
| MSCI EAFE | | 23.6% | |
| MSCI Emerging Markets | | 14.3% | |
| MSCI World ex U.S. | | 23.8% | |
| Global Equity | 21.1% | | 16.5% |
| MSCI AC World | | 23.0% | |
| Private Equity | 19.6% | | 7.0% |
| Custom State Street PE | | 18.6% | |
| Fixed Income | 4.6% | | 14.8% |
| Custom Benchmark | | 3.6% | |
| BC Aggregate | | 3.5% | |
| BC Global Bond Agg | | 4.1% | |
| Credit / Debt Strategies | 11.5% | | 10.0% |
| Custom Benchmark | | 8.7% | |
| BC High Yield | | 11.7% | |
| BC Credit | | 7.4% | |
| JP Morgan GBI EM GD | | 3.9% | |
| S&P LSTA Leverage Loan | | 5.6% | |
| Real Estate | 14.2% | | 6.8% |
| Custom Benchmark | | 13.7% | |
| NCREIF | | 13.8% | |
| FTSE EPRA NAREIT | | 13.5% | |
| Real Return | 7.0% | | 12.0% |
| Custom Benchmark | | 6.0% | |
| Absolute Return | 7.6% | | 9.4% |
| Custom Benchmark | | 7.6% | |
| TOTAL FUND | 14.4% | 14.2% | |

The System's allocation as of June 30, 2014 reflects the ranges and transitional targets as described in the previous section.

ECONOMIC AND CAPITAL MARKET OVERVIEW

In many ways, fiscal year 2014 was a continuation of fiscal year 2013 in terms of strong investment returns for financial and real assets. In the U.S., the Federal Reserve continued its accommodative posture of low interest rates and monthly bond purchases in an effort to stimulate economic growth and employment. In part as a result, most economic metrics improved during the fiscal year with U.S. Gross Domestic Product (GDP) growing at a rate of 2.4 percent and unemployment falling to 6.1 percent. Inflation for the fiscal year was 2.1 percent, very close to the Federal Reserve's long-term target of 2 percent. Due to the improved economic conditions, the Federal Reserve announced in December of 2013 that it would gradually reduce its purchases of long-term Treasury bonds and mortgage-backed securities throughout calendar year 2014. It is widely expected that the quantitative easing program will come to an end sometime in the fall of 2014.

Like fiscal year 2013, public equity was the top-performing asset class in fiscal year 2014. The U.S. public equity market, as represented by the Russell 3000 index, generated a return of 25.2 percent as corporate operating margins and profits remain at high levels. For the sixth consecutive fiscal year, U.S. equities exceeded the performance of developed non-U.S. equities as measured by the MSCI All-Country World ex-U.S. index, which returned 21.8 percent. The euro zone continued to suffer from very weak economic conditions with stagnating GDP growth, high unemployment rates, declining private sector lending and dangerously low inflation levels. In June, European Central Bank President Mario Draghi announced a series of measures intended to address these issues in an attempt to stimulate growth and inflation. These measures included further interest rates cuts, negative rates for banks' excess reserves, inexpensive bank liquidity and the possibility of future bond purchases. Emerging markets equities also continued to underperform U.S. equities for the fiscal year, posting a return of 14.3 percent, as measured by the MSCI Emerging Markets Index. Concerns over rising U.S. interest rates and Federal Reserve bond tapering have been factors in this underperformance, as several emerging markets countries rely on foreign capital for funding. In addition, slower global growth and the depreciation of the currencies of several countries have also weighed on performance.

Unlike last fiscal year, fixed income indices delivered positive returns in line with long-term averages. The general level of interest rates ended the fiscal year nearly unchanged as measured by the ten-year Treasury yield. However, rates fluctuated within a fairly wide range in what proved to be a difficult environment to anticipate directionality of yield changes. During the fiscal year, the yield curve unexpectedly flattened as intermediate-term bond yields increased while long-maturity yields declined, leading to significant outperformance of long bonds. Investors continued to show strong confidence in the creditworthiness of borrowers as credit spreads for investment grade and non-investment grade debt narrowed over the fiscal year. The Barclays Capital Aggregate Bond Index returned 4.4 percent for the fiscal year, while high yield bonds as represented by the Barclays Capital High Yield Index returned 11.7 percent.

In summary, investment returns for fiscal year 2014 were very strong, particularly for more risky assets. The environment continued to be conducive for economic expansion, albeit at a slower rate relative to past recoveries, with low interest rates, low inflation and accommodative global monetary policy. The U.S. stock market continued to lead the rest of the world, with higher growth rates, price stability and an improving unemployment picture. Unlike the prior fiscal year, core fixed income assets achieved positive returns as the interest rate increases widely expected due to the tapering of the Federal Reserve's unconventional monetary policy never materialized.

PUBLIC EQUITIES

As of June 30, 2014, approximately \$17.7 billion of the System's total assets were invested in public equities, representing 38.9 percent of total assets. The public equity program has three components: U.S. equities, international equities and global equities. The program is constructed without a home country bias. Accordingly, the weightings of the three components are adjusted from time-to-time, reflecting the investable global public equity opportunity set.

The System's Terra Maria program, which seeks to identify promising smaller or developing management firms, is an integral part of the public equities asset class. At June 30, 2014, 74.8 percent of the Terra Maria program was invested in public equities with 45.5 percent in U.S. equities. Each of the managers in the Terra Maria program has an active management mandate. A more detailed discussion of the Terra Maria program follows below.

A. U.S. Equities

As of June 30, 2014, approximately \$4.7 billion or 10.3 percent of total assets was invested in U.S. public equities. Passively and enhanced passively managed equities totaled \$2.9 billion, while actively managed assets outside of the Terra Maria program totaled \$370 million and Terra Maria program assets were \$1.4 billion, representing 6.5 percent, 0.8 percent, and 3.0 percent of total assets, respectively.

| U.S. Equity | \$ Millions | % of Total Plan |
|--|--------------------|------------------------|
| Passively Managed | \$2,934.5 | 6.5% |
| Actively Managed (exclude T.M.) | \$369.9 | 0.8% |
| Terra Maria Program | \$1,356.3 | 3.0% |
| Total U.S. Equity | \$4,660.7 | 10.3% |

For FY 2014, U.S. equities returned 26.1 percent, compared to 25.2 percent for its benchmark, the Russell 3000 Index.

B. International Equities

As of June 30, 2014, approximately \$5.5 billion or 12.1 percent of total assets were invested in international equities. Passively managed assets totaled approximately \$2.6 billion, while actively managed assets outside of the Terra Maria program totaled approximately \$2.1 billion and Terra Maria assets were \$0.85 billion, representing 5.7 percent, 4.6 percent and 1.9 percent of total assets, respectively. As more fully described below, in 2009 the System instituted a currency overlay program which is designed to protect the value of some foreign equities in a rising dollar environment and reduce volatility.

| International Equity | \$ Millions | % of Total Plan |
|--|--------------------|------------------------|
| Passively Managed | \$2,587.3 | 5.7% |
| Actively Managed (exclude T.M.) | \$2,095.7 | 4.6% |
| Terra Maria Program | \$850.6 | 1.9% |
| Currency Overlay | (\$31.1) | -0.1% |
| Total International Equity | \$5,502.5 | 12.1% |

For FY 2014, international equities returned 20.4 percent compared to 21.8 percent for its benchmark, the MSCI All Country World ex-U.S. Index.

C. Global Equities

As of June 30, 2014, approximately \$7.5 billion or 16.5 percent of total assets were invested in global equities. Actively managed long-only assets outside of the Terra Maria program totaled \$5.3 billion; Terra Maria assets were \$22.3 million, and actively managed long-short assets totaled \$1.7 billion, representing 11.8 percent, 0.05 percent, and 3.8 percent of total assets, respectively. The currency overlay program, which is designed to protect the value of some foreign equities in a rising dollar environment and reduce volatility, is also applied to the global equity program.

| Global Equity | \$ Millions | % of Total Plan |
|--|--------------------|------------------------|
| Passively Managed | \$413.8 | 0.9% |
| Actively Managed (exclude T.M.) | \$5,343.1 | 11.8% |
| Terra Maria Program | \$22.3 | 0.0% |
| Long/Short Funds | \$1,744.0 | 3.8% |
| Currency Overlay | (\$15.2) | 0.0% |
| Total Global Equity | \$7,508.0 | 16.5% |

For FY 2014, global equities returned 21.1 percent compared to 23.0 percent for its benchmark, the MSCI All Country World Index.

CURRENCY OVERLAY PROGRAM

The currency overlay program was implemented in April of 2009, and is managed by Record Currency Management. An objective of the program is to provide insurance against a strengthening dollar, which could negatively impact returns from foreign currency-denominated equities. The manager uses a systematic currency overlay strategy and generally does not make fundamental currency valuation assessments. The strategy is also dynamic in that the degree to which currency hedging is applied changes depending on currency market conditions. As a general rule, the manager uses low hedge ratios when the dollar is weak and high hedge ratios when the dollar is strong. During fiscal year 2014, the currency program detracted from returns in the international and global public equity programs as the U.S. dollar weakened relative to other currencies. The cost to the System's portfolio as a result of using this systematic currency overlay strategy was \$116.5 million. While the currency program acted as a drag on performance during fiscal year 2014, it has served to reduce volatility and improve the risk/return profile of the international and global equity programs since its inception.

PRIVATE EQUITY

As of June 30, 2014, private equity totaled roughly \$3.2 billion, or 7.0 percent of total assets. This asset class includes buyouts, growth equity, venture capital, secondaries and funds-of-funds.

In fiscal year 2014, commitments were made to 16 private equity funds totaling \$1.5 billion. Since the inception of the private equity program in fiscal year 2005, commitments have been made totaling roughly \$6.9 billion to 131 different funds. In fiscal year 2014, the private equity program returned 19.6 percent, compared to 18.6 percent for its customized benchmark, the State Street Private Equity Index.

In fiscal 2015, the Board expects that exposure to private equity will continue to increase toward its long-term targeted levels as unfunded commitments of \$3.2 billion are drawn down by the fund managers. It is expected that it will take several more years for the target allocation of 10.0 percent to be reached in a prudent manner.

FIXED INCOME

Fixed income markets began the fiscal year at an elevated level of yields due to concerns with the Federal Reserve's announcement regarding its intention to begin winding down its unconventional stimulative monetary policy that has become known as Quantitative Easing. Over the course of the year, yields have exhibited some volatility but the level of yields ended the year largely unchanged. The shape of the curve, however, saw major changes with yields in the front end of the curve rising (+20 basis points) and yields in the back end of the curve falling (-15 basis points). Credit sensitive bonds exhibited remarkable outperformance with risk premiums declining to levels that have not been seen since prior to 2008. The portfolio has a blended benchmark of 80 percent Barclays Capital Intermediate Aggregate Index and 20 percent Barclays Capital Global Bond 1-10 year Index. As of June 30, 2014, the fixed income portfolio represented \$6.7 billion, or 14.8 percent of total assets. The relative performance of the portfolio was strong, returning 4.6 percent for the fiscal year, versus 3.6 percent for its benchmark.

CREDIT/DEBT STRATEGIES

The credit/debt strategies portfolio totaled approximately \$4.6 billion, representing 10.0 percent of total plan assets as of June 30, 2014. Investments in this asset class are held

in both liquid and illiquid structures. The Board has funded the program principally with mezzanine and distressed debt, high yield and investment grade bonds, bank loans and emerging market debt. The portfolio has a blended benchmark of 50 percent Barclays U.S. High Yield Index, 20 percent Barclays U.S. Credit Index, 20 percent JP Morgan GBI EM Global Diversified Index and 10 percent S&P LSTA Leveraged Loan Index. The portfolio returned 11.5 percent for the fiscal year, versus 8.7 percent for its benchmark. The outperformance relative to the benchmark was primarily due to the strong performance of the System's distressed debt investments.

REAL ESTATE

The real estate portfolio returned 14.2 percent in fiscal year 2014, versus 13.7 percent for its custom benchmark, a blend of the NCREIF ODCE and FTSE-EPRA NAREIT. At the end of the fiscal year, real estate accounted for 6.8 percent of total assets, valued at \$3.1 billion. The program includes publicly-traded securities and private investment funds.

The NCREIF ODCE index returned 13.8 percent for the twelve months ending March 31, 2014. Public real estate securities, as measured by the Financial Times Stock Exchange European Public Real Estate Association/NAREIT Developed REIT Index (Net), had one-year return of 13.5%. Cap rates for core properties remain low on an absolute level although at a reasonable spread to some fixed income alternatives.

REAL RETURN

The real return portfolio totaled approximately \$5.5 billion, representing 12.0 percent of total assets as of June 30, 2014. The objectives of this asset class are to provide a level of protection against inflation and event risk, and to enhance diversification for the total fund. As of June 30, 2014, the largest components of the asset class were Treasury Inflation Protected Securities (TIPS) and global inflation-linked bonds totaling \$2.9 billion, or 6.5 percent of total assets. Combined, these two components had a return of 4.8 percent, given low inflation expectations in most markets. There was also an allocation to commodities, representing \$1.7 billion, or 3.7 percent of total assets. The remaining assets consist of publicly-traded Master Limited Partnerships (MLPs) and private investments in infrastructure, timber and energy-related assets.

The real return portfolio returned 7.0 percent in fiscal 2014 versus 6.0 percent for its custom benchmark. The main drivers of outperformance relative to the benchmark were MLPs and private energy-related investments.

ABSOLUTE RETURN

The absolute return portfolio totaled approximately \$4.3 billion, representing 9.4 percent of total assets as of June 30, 2014. The portfolio consists of three global macro funds, two multi-asset strategies, two funds-of-funds, three relative value multi-strategy funds and one insurance fund. Its goal is to provide diversification for the total plan through its low correlation to the broad financial markets. The portfolio matched its benchmark in fiscal 2014, returning 7.6 percent versus 7.6 percent for the HFRI Fund of Funds Composite Index.

TERRA MARIA PROGRAM

As previously mentioned, the Terra Maria program seeks to identify promising smaller or developing managers. The seven existing public market program managers serve as an extension of staff to source investment managers, perform manager due diligence, monitor managers and prepare manager "hire/fire" and funding recommendations. The managers include Attucks Asset Management, Bivium Capital Partners, Capital Prospects, FIS Group, Leading Edge Investment Advisors, Northern Trust Global Advisors and Progress Investment Management Company.

Terra Maria publicly-traded assets totaled approximately \$3.0 billion, or 6.6 percent of total assets at June 30, 2014. The program returned 19.6 percent for the fiscal year, compared to the custom benchmark return of 19.3 percent. The relative performance results have remained positive since the April 2007 inception of the program.

During fiscal year 2011, the Terra Maria program was expanded to include investments in private equity partnerships. Since January 2011, \$3.5 billion has been committed globally to 50 private equity funds. Of this, \$2.0 billion has been committed to 28 domestic funds, which includes \$358 million to 11 Terra Maria emerging managers.

Additionally, at the end of fiscal year 2014, \$5.2 billion, or 11.5 percent of the System's total assets, was managed by minority and women-owned firms.

In the Terra Maria program, as well as in other parts of the fund's portfolio, the Chief Investment Officer has the ultimate responsibility for making manager selection and termination decisions, and for determining funding allocations.

CONCLUSION

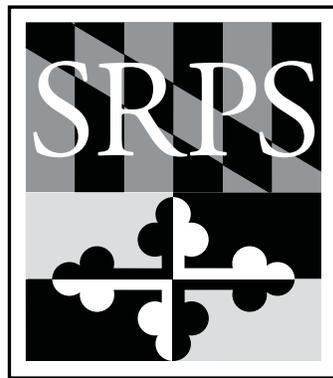
Fiscal year 2014 was a very strong year for investment returns as the System outperformed both the actuarial return assumption and the policy benchmark. Central banks around the globe are at different stages and degrees of stimulative monetary policy. Going forward, investment returns will depend largely on the actions of global central banks and the market's reaction to these actions, and whether the appropriate balance between growth and inflation can be achieved.

To conclude, I would like to extend my gratitude to the Executive Director, Investment Committee and Board of Trustees for their time, leadership and support. I would also like to thank the investment staff and consultants for their unwavering commitment to producing attractive risk-adjusted investment results in a balanced and diversified manner.

Respectfully submitted,



Robert M. Burd, CFA, CAIA
Acting Chief Investment Officer



This page intentionally left blank

MARYLAND STATE RETIREMENT AND PENSION SYSTEM

INVESTMENT PORTFOLIO SUMMARY as of June 30, 2014 and 2013 (Expressed in Thousands)

| | <u>2014</u> | | <u>2013</u> | |
|---|----------------------|-----------------|----------------------|-----------------|
| | Fair Value | % of Fair Value | Fair Value | % of Fair Value |
| Fixed Income | | | | |
| Fixed Income | \$ 6,665,867 | 14.7 % | \$ 6,451,411 | 16.0 % |
| Credit Opportunity | 4,292,793 | 9.5 | 3,050,085 | 7.6 |
| (2) Net cash & cash equivalents (manager) | <u>339,556</u> | <u>0.6</u> | <u>422,424</u> | <u>1.0</u> |
| Total Fixed Income | <u>11,298,216</u> | <u>24.8</u> | <u>9,923,920</u> | <u>24.6</u> |
| Public Equity | | | | |
| Domestic stocks | 4,601,678 | 10.2 | 4,584,119 | 11.4 |
| Global stocks | 7,424,509 | 16.3 | 6,754,625 | 16.8 |
| International stocks | 5,416,324 | 11.9 | 5,395,887 | 13.4 |
| (2) Net cash & cash equivalents (manager) | <u>228,746</u> | <u>0.5</u> | <u>294,218</u> | <u>0.7</u> |
| Total Equity | <u>17,671,257</u> | <u>38.9</u> | <u>17,028,849</u> | <u>42.3</u> |
| Absolute Return | 4,252,178 | 9.4 | 2,916,382 | 7.3 |
| Private Equity | 3,184,976 | 7.0 | 2,504,902 | 6.2 |
| Real Estate (includes private) | 3,074,722 | 6.8 | 2,308,141 | 5.7 |
| Real Return | 5,073,620 | 11.2 | 4,531,897 | 11.3 |
| (2) Net cash & cash equivalents (manager) | 360,622 | 0.8 | 526,081 | 1.3 |
| (1) Cash (non-manager) | 499,960 | 1.1 | 510,557 | 1.3 |
| Total Portfolio | <u>\$ 45,415,551</u> | <u>100.0 %</u> | <u>\$ 40,250,729</u> | <u>100.0 %</u> |

(1) Security Lending collateral payable has been netted against the actual collateral. The amounts net to zero.

(2) Includes investment receivables and payables.

Note: This schedule includes assets invested on behalf of the Maryland Transit Administration.

MARYLAND STATE RETIREMENT AND PENSION SYSTEM

INVESTMENT PORTFOLIOS BY MANAGER

as of June 30, 2014

(Expressed in Thousands)

| | Fair Value | Investment Advisory Fees | | Fair Value | Investment Advisory Fees |
|---|--------------------------|-----------------------------|---|-------------------------|-----------------------------|
| Public Equity | | | Fixed Income | | |
| State Street Global Advisors | \$ 3,350,996 | \$ 2,159 | Western Asset Management | \$ 1,607,066 | \$ 2,528 |
| Equity Long Short (1) | 1,745,663 | 44,374 | Pacific Investment Management Company | 1,547,697 | 3,227 |
| RhumbLine Advisors | 1,454,470 | 136 | Aberdeen Asset Management, Inc. | 598,602 | 1,029 |
| AQR Capital Management, LLC | 1,145,779 | 3,466 | Pyramis Global Advisors | 592,891 | 732 |
| D E Shaw & Co., LP | 1,042,438 | 3,738 | Principal Global Investors | 587,544 | 696 |
| T. Rowe Price Associates, Inc. | 667,060 | 1,836 | State Street Global Advisors | 430,061 | 71 |
| Templeton Investment Counsel, Inc. | 626,119 | 2,091 | Dodge & Cox | 421,071 | 522 |
| Artisan Partners Limited Partnership | 559,796 | 2,030 | Goldman Sachs Asset Management | 412,172 | 766 |
| Acadian Asset Management | 538,622 | 2,158 | Progress Investment Management (1) | 306,851 | 1,162 |
| Baillie Gifford & Company | 495,583 | 3,070 | Northern Trust Global Advisors, Inc.(1) | 161,348 | 332 |
| Northern Trust Global Advisors, Inc.(1) | 488,894 | 2,147 | Attucks Asset Management, LLC (1) | 122,231 | 457 |
| Brown Capital Management | 475,453 | 2,996 | Leading Edge Invest. Advisors, LLC (1) | 71,544 | 318 |
| GMO Global All Country | 466,294 | 706 | Capital Prospects, LLC (1) | 68,440 | 141 |
| Schroders Investment Management | 458,874 | 635 | Bivium Capital Partners (1) | 21,514 | 115 |
| Dimensional Fund Advisors, Inc. | 434,883 | 1,775 | Other (2) | 0 | 45 |
| Goldman Sachs Asset Management | 393,554 | 1,813 | | <u>\$ 6,949,032 (3)</u> | <u>\$ 12,141 (4)</u> |
| FIS Group, Inc.(1) | 388,265 | 1,661 | | | |
| Capital Prospects, LLC (1) | 386,594 | 1,895 | | | |
| Attucks Asset Management, LLC (1) | 328,530 | 2,009 | Real Return (1) | \$ 5,426,914 | \$ 26,054 |
| Leading Edge Invest. Advisors, LLC (1) | 324,342 | 2,729 | Credit/Debt Related (1) | 4,349,185 | 63,001 |
| Longview Partners Ltd. | 320,765 | 1,991 | Absolute Return (1) | 4,252,048 | 32,515 |
| Bivium Capital Partners(1) | 312,413 | 2,219 | Private Equity Funds (1) | 3,184,976 | 59,304 |
| UBS Global Asset Management, Inc. | 299,691 | 1,147 | Real Estate | | |
| Relational Investors, LLC | 265,329 | 4,913 | Private Real Estate (1) | 2,340,852 | 22,903 |
| Earnest Partners | 251,298 | 1,651 | Morgan Stanley Investment Management | 408,724 | 433 |
| Genesis Asset Management | 241,626 | 1,819 | SSGA Global Liquid RE Securities | 334,757 | 102 |
| Zevenbergen Capital Investment LLC | 104,555 | 720 | Record Currency Management | (2,821) | 294 |
| Robeco Investment Management | 98,561 | 1,233 | Other (2) | 669 | 7,855 |
| Capital International Investments | 44,129 | 268 | Cash - Internally Managed | 499,960 | N/A |
| Record Currency Management | (46,875) | 6,747 | | <u>\$20,795,264 (3)</u> | <u>\$ 212,461 (4)</u> |
| Other (2) | 7,557 | 452 | | | |
| | <u>\$ 17,671,258 (3)</u> | <u>\$ 106,584 (4)</u> | | | |

(1) Sub-managers separately listed on the following pages

(2) Consulting fees and/or investment managers no longer under contract as of 6/30/14

(3) Includes assets invested on behalf of the Maryland Transit Administration

(4) Includes management fees allocated to the Maryland Transit Administration.

MARYLAND STATE RETIREMENT AND PENSION SYSTEM

ALTERNATIVE INVESTMENTS RELATIONSHIP LISTINGS

as of June 30, 2014

Private Equity

| | | |
|---|--|---|
| .406 Ventures II | Commonwealth Capital Ventures IV LP | Longitude Venture Partners II LP |
| Abbott Capital Private Equity Fund III | Court Square | Madison Dearborn Capital Partners V LP |
| ABS Capital Partners VI LP | Crescent Capital Partners IV | Madison Dearborn Capital Partners VI LP |
| ABS Capital Partners VII LP | CVC European Equity Partners V-B LP | MBK Partners Fund III |
| Adams Street Partners LLC | Dover Street VII LP | MD Asia Investors, LP |
| Advent Central & Eastern Europe IV LP | ECI 8 LP | MD Asia Investors II, LP |
| Advent International GPE V-D LP | ECI 9 LP | Navis Asia Fund VI |
| Advent International GPE VI-A LP | Equistone Partners Europe IV | New Mainstream Capital II |
| AIF Capital Asia IV | Everstone Capital Partners II LLC | New Mountain Partners III LP |
| Alchemy Partners LP | Fort Point Capital I | North Sky Clean Tech Fund IV LP |
| Apax Europe VI-A LP | Frazier Healthcare V LP | Orchid Asia V |
| Apax Europe VII-A LP | Frazier Healthcare VI LP | Partners Group Secondary 2008 LP |
| Apax France VIII | Frazier Healthcare VII LP | Partners Group Secondary 2011 LP |
| Apollo Investment Fund VII (AIF) LP | Frontier Fund | Partners Group Emerging 2011 LP |
| Apollo Investment Fund VIII (AIF) LP | Goldman Sachs Vintage Fund V LP | Permira IV LP 2 |
| Arcadia II Beteiligungen BT GmbH & Co | Graphite Capital Partners VII | Private Equity Partners Fund IV |
| Audax Private Equity Fund II LP | Graphite Capital Partners VII Top Up | Quaker BioVentures II |
| Audax Private Equity Fund III LP | Graphite Capital Partners VIII | Riverside Asia Pacific Fund II |
| Audax Private Equity Fund IV LP | Great Hill Equity Partners III | Riverside Capital Appreciation V LP |
| Azure Capital Partners II LP | Great Hill Equity Partners IV | Riverside Capital Appreciation VI LP |
| Azure Capital Partners III LP | Hancock Park Capital III | Riverside Europe Fund IV LP |
| Bain Capital Fund IX LP | HarbourVest Partners VI Buyout Fund | RLH Investors II LP |
| Bain Capital IX Coinvestment Fund LP | HarbourVest Partners VI Partnership Fund | RLH Investors III LP |
| Bain Capital Fund X LP | Hellman & Friedman Investors VI LLC | Siris Partners II |
| Bain Capital X Coinvestment Fund LP | Hellman & Friedman Investors VII LLC | SSG Capital Partners III |
| Bain Capital Fund XI LP | Hg Capital 5 LP | Summer Street Capital Fund II LP |
| BC European Capital VIII LP | Hg Capital 6A LP | Summer Street Capital Fund III LP |
| BC European Capital IX LP | Hg Mercury | Symmetric Partners LP |
| Black River Capital Partners Fund (Agriculture A) LP | Hg Capital 7 LP | TA X LP |
| Blackstone Capital Partners VI | IVC Partners III | TA XI LP |
| Blue Wolf III | KKR European Fund III LP | TDR Capital III |
| Brazos Equity Advisors III LP | Landmark Equity Partners XIV | TPG Partners VI LP |
| Bunker Hill Capital II LP | Landmark Equity Partners XV | Triton Fund III |
| Calvert Street Capital Partners III | Lexington Capital Partners VII | Triton Fund IV |
| Camden Partners Strategic Fund IV | Lexington Middle Market | Valhalla Partners II LP |
| Carlyle Partners V LP | Lion Capital Fund I LP | Vector Capital IV LP |
| Carlyle Partners VI LP | Lion Capital Fund II LP | Vestar Capital Partners V LP |
| CDH Fund V | Lion Capital Fund III | Vista Equity Partners IV |
| Charterhouse Capital Partners VIII LP | Littlejohn Fund III LP | Vista Equity Partners V |
| Charterhouse Capital Partners IX LP | Littlejohn Fund IV LP | Vista Foundation |
| Clayton, Dubilier & Rice Fund VIII | Littlejohn Fund V LP | Wind Point Partners VII LP |
| Clayton, Dubilier & Rice Fund IX | LLR Equity Partners IV | Yucaipa American Alliance Fund II LP |
| Collar Capital Partners VI | Lombard Asia | |
| | Longitude Venture Partners LP | |

Private Real Estate

| | |
|---|--|
| AEW Senior Housing Fund II | Lone Star Real Estate Fund III |
| Blackrock Asia Property Fund III | Lubert Adler Real Estate Fund III |
| CB Richard Ellis Strategic Partners Europe Fund III | Lubert Adler Real Estate Fund VI |
| CB Richard Ellis Strategic Partners UK Fund III | Lubert Adler Real Estate Fund VI-A |
| CB Richard Ellis Strategic Partners US Value 5 LP | Morgan Stanley Prime Property Fund |
| CB Richard Ellis Strategic Partners US Value 6 LP | PRISA II (Prudential Real Estate Investors) |
| Chesapeake Maryland Limited Partnership | Realty Associates Fund IX |
| Covenant Apartment Fund VII | Realty Associates Fund X |
| Europe Fund III LP | Rockwood Capital Real Estate Partners Fund VIII LP |
| Federal Capital Partners II | Rockwood Capital Real Estate Partners Fund IX LP |
| Frogmore Real Estate Partners II | Secured Capital Japan Real Estate Partners Asia LP |
| GI Partners Fund III LP | Secured Capital Japan Real Estate Partners IV LP |
| GI Partners Fund IV LP | Starwood Debt Fund II LP |
| JER Real Estate Partners Fund IV LP | Starwood Hospitality Fund II |
| JP Morgan Investment Management Inc | Tristan Cap- European Special Opps 3 |
| Lion Industrial Trust | UBS Trumbull Property Fund |
| Lone Star Real Estate Fund II | |

MARYLAND STATE RETIREMENT AND PENSION SYSTEM

ALTERNATIVE INVESTMENTS RELATIONSHIP LISTINGS

as of June 30, 2014

(continued)

Real Return

| | |
|---|---------------------------------------|
| Alinda Infrastructure Fund II | Natural Gas Partners X LP |
| Astenbeck Commodities Fund | NGP Midstream & Resources LP |
| Black River Commodity Trading Fund | PIMCO Global Inflation Linked Bonds |
| Core Commodity Management Diversified I | Quantum Energy Partners IV LP |
| Edesia Commodities Dynamic Agriculture Fund | Quantum Energy Partners V LP |
| EIF Power Fund IV | RMS Forest Growth III |
| First Reserve Fund XII LP | Schroder Commodity Fund |
| Global Timber Investors 9 | State Street Global Advisors US Tips |
| Gresham Investment Management LLC | Taylor Woods Partners |
| Hancock Timber X LP | Timbervest Partners III LP |
| Harvest Fund Advisors | Tortoise Capital Advisors |
| Koppenberg Macro Commodity Fund | Vermillion/Celadon Commodities Fund |
| Natural Gas Partners VIII LP | Western Global Inflation Linked Bonds |
| Natural Gas Partners IX LP | White Deer Energy |

Absolute Return

| | |
|----------------------------------|-------------------------|
| BlackRock Global Ascent | Mellon Global Alpha II |
| Bridgewater All Weather | Nephia Palmetto Fund |
| Bridgewater Pure Alpha | PIMCO All Authority |
| Carlson Double Black Diamond | Pine River Fund |
| DGAM Diversified Strategies Fund | Rock Creek Potomac Fund |
| Hutchin Hill Diversified Alpha | |

FIXED INCOME RELATIONSHIP LISTINGS

as of June 30, 2014

Credit/Debt Related

| | |
|--|---|
| Alchemy Special Opps Fund II | Neuberger Berman Flexible Credit |
| Anchorage Capital Group | Mackay Shields |
| Blackrock Credit Investors II | Oaktree Capital Management |
| Brigade Leveraged Capital Structures Fund LP | Oaktree Opportunity Fund VIII |
| CarVal Credit Value Fund A LP | Oaktree Opportunity Fund VIII B |
| CarVal Credit Value Fund II | Oaktree European Principal Fund III |
| Castle Lake III | Oaktree Principal Fund V |
| Clearlake Capital Group | Park Square Capital Partners II |
| Crescent Capital Mezzanine Partners VI | Partners Group European Mezzanine 2008 LP |
| EIG Energy Fund XV | Peninsula Fund V |
| EIG Energy Fund XVI | Perella Weinberg Partners |
| Falcon Strategic Partners III | Prudential Capital Partners III |
| Falcon Strategic Partners IV | Prudential Capital Partners IV |
| King Street Capital | SSGA Emerging Markets Debt |
| KKR Flexible Credit | Stone Harbour Emerging Debt |
| KKR Mezzanine Partners 1 | TA Subordinated Debt Fund III |
| LBC Credit Partners II LP | Varde Fund X |
| Merit Mezzanine Fund V | Wayzata Investment Partners III |

MARYLAND STATE RETIREMENT AND PENSION SYSTEM

TERRA MARIA PROGRAM

as of June 30, 2014

Terra Maria Program

Attucks Asset Management

Advent Capital Management
Apex Capital Management
Brown Investment Advisory
Campbell Newman Asset Management
Chicago Equity Partners
Fourpoints Asset Management
Globeflex Capital LP
GW Capital Inc
Hanseatic Management Services Inc
Hughes Capital Management
LM Capital Group LLC
Lombardia Capital Partners LLC
Mar Vista Investment Partners
Nicholas Investment Partners
Opus Capital Management
Paradigm Asset Management Co.
Seizert Capital Partners
The Edgar Lomax Company
Thomas White International LTD

Bivium Capital Partners

ARGA Investment Management LP
Aristotle Capital Management
Bailard Inc
Chautauqua Capital Management LLC
Cheswold Lane Asset Management LLC
Cornerstone Capital Management Inc
Cupps Capital Management
Phocas Financial Corporation
SW Asset Management LLC
Vulcan Value Partners
WCM Investment Management

Capital Prospects LLC

AH Lisanti Capital Growth LLC
Bernzott Capital Advisors
Geneva Capital Management Ltd
Inview Investment Management LLC
Lesa Sroufe & Co.
Matrix Asset Advisors Inc
Next Century Growth Investors LLC
Paradigm Asset Management Co LLC
Piedmont Investment Advisors LLC
Profit Investment Management
Redwood Investment LLC
Twin Capital Management Inc

Bold denotes Program Manager for the Terra Maria Program

Valley Forge Asset Management
Walthausen & Co LLC

FIS Group

Arbor Capital Management
Ativo Capital Management
Black Creek Investment Management, Inc.
Channing Capital Management LLC
Greenfield Seitz Capital Management LLC
Hanoverian Capital Management
Seizert Capital Partners
Somerset Capital Group
Victoria 1522 Investments

Leading Edge Investment Advisors

Apex Capital Management
Driehaus Capital Management LLC
Gratry & Company Inc
Herndon Capital Management
Kirr, Marbach & Co.
Markston International LLC
New Century Investment Management Inc
Nicholas Investment Partners
Penn Capital Management Co Inc
Reed, Conner & Birdwell
SIT Investment Associates Inc
Westwood Global Investments

Northern Trust

ClariVest Asset Management LLC
Cornerstone Investment Partners
Dolan McEniry Capital Management
Herndon Capital Management
Hexavest Inc.
Lombardia Capital Partners
Longfellow Investment Management
Magee Thompson Investment Partners
New Century Advisors
Profit Investment Management
Riverbridge Partners
Strategic Global Advisors
Summit Creek Advisors

Progress Investment Management

Ambassador Capital Management
Garcia Hamilton
New Century Advisors
Pugh Capital Management Inc

EQUITY RELATIONSHIP LISTING

as of June 30, 2014

Equity Long Short

Amici Qualified Associates
Criterion Capital
Hoplite OnShore
Indus-Pacific Opportunities Fund
Marshall Wace Eureka Fund

Neon Liberty Capital Management
Scopia Capital Management
Stelliam Fund
Tiger Consumer Management

MARYLAND STATE RETIREMENT AND PENSION SYSTEM

EQUITY COMMISSIONS TO BROKERS

for the Fiscal Year Ended June 30, 2014

(Expressed in Thousands)

| Brokers (1) | Total Shares | Total Commission |
|---------------------------------|-------------------------|-----------------------------|
| State Street Bank and Trust | 124,348 | \$ 536 |
| Merrill Lynch | 99,898 | 467 |
| Credit Suisse Securities | 130,723 | 464 |
| J P Morgan Securities | 59,374 | 433 |
| Goldman Sachs | 79,750 | 427 |
| Morgan Stanley | 52,301 | 409 |
| Instinet | 75,819 | 385 |
| Barclays Capital, Inc. | 29,228 | 346 |
| G Trade Securities | 50,626 | 293 |
| Citigroup Global Markets | 29,343 | 267 |
| UBS | 38,650 | 249 |
| Deutsche Bank | 62,515 | 232 |
| Investment Technology Group | 17,116 | 193 |
| Loop Capital Markets | 10,360 | 175 |
| Pershing | 16,511 | 136 |
| Sanford C. Bernstein | 52,196 | 125 |
| Jefferies & Company | 11,482 | 117 |
| CLSA Securities | 9,598 | 117 |
| Societe Generale Bank and Trust | 5,800 | 110 |
| Cabrera Capital Markets | 14,249 | 110 |
| Other Broker Fees | 298,528 | 2,538 |
| Total broker commissions | <u>1,268,415</u> | <u>\$ 8,129</u> |

(1) Proceeds from the sale and disbursements for the purchase of securities are reported net of brokers' commissions. As such, brokers' commissions are not included as investment expenses on the Statements of Changes in Plan Net Assets. Other broker fees include 311 brokers each receiving less than \$100,000 in total commissions.

For the fiscal year ended June 30, 2014, total domestic equity commissions averaged .68 cents per share, and total international equity commissions averaged 9.06 basis points per share.

MARYLAND STATE RETIREMENT AND PENSION SYSTEM

LARGEST STOCK & BOND HOLDINGS AT MARKET as of June 30, 2014

| EQUITY INCOME SECURITIES: | Shares | Market Value |
|----------------------------------|---------------|---------------------|
| Roche Holding AG Genusschein | 315,951 | \$ 94,236,626 |
| Apple, Incorporated | 991,596 | 92,149,016 |
| Nestle SA Reg | 1,091,621 | 84,567,391 |
| Bayer AG Reg | 480,507 | 67,860,972 |
| Novartis AG Reg | 699,999 | 63,385,115 |
| Baidu, Incorporated ADR | 310,503 | 58,005,065 |
| Amazon.Com Inc | 178,544 | 57,987,520 |
| Microsoft Corporation | 1,390,362 | 57,978,095 |
| Toyota Motor Corporation | 936,725 | 56,256,206 |
| Sanofi | 524,351 | 55,695,871 |
| Google, Incorporated CL A | 90,473 | 52,896,849 |
| Tencent Holdings LTD | 3,321,900 | 50,662,045 |
| Hewlett Packard Company | 1,471,281 | 49,552,744 |
| AIA Group LTD | 9,591,478 | 48,202,735 |
| HSBC Holdings PLC | 4,725,487 | 47,905,542 |

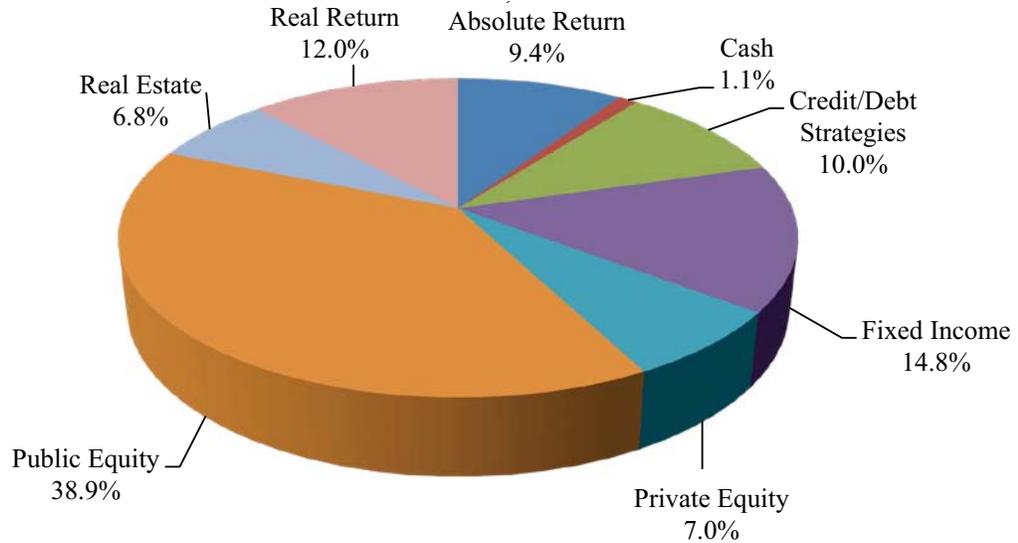
| FIXED INCOME SECURITIES: | Par Value | Market Value |
|--|------------------|---------------------|
| United States Treasury Inflation Linked, 0.125%, due Jan 15, 2023 | \$ 181,293,849 | \$ 180,670,198 |
| United States Treasury Inflation Linked, 0.125%, due Jan 15, 2022 | 131,724,740 | 132,620,469 |
| United States Treasury Inflation Linked, 0.375%, due Jan 15, 2023 | 115,370,662 | 117,606,546 |
| United States Treasury Inflation Linked, 0.125%, due Apr 15, 2016 | 112,167,029 | 115,111,413 |
| United States Treasury Global Inflation Linked, 1.25%, due Nov 22, 2027 | 56,050,059 | 113,787,427 |
| United States Treasury Inflation Linked, 0.125%, due Jan 15, 2022 | 112,797,994 | 113,547,626 |
| United States Treasury Inflation Linked, 2.375%, due Jan 15, 2025 | 93,198,400 | 112,907,998 |
| United States Treasury Inflation Linked, 0.125%, due Apr 15, 2018 | 104,066,757 | 107,497,838 |
| United States Treasury Notes/Bonds, 1.375%, due Sept 30, 2018 | 107,500,000 | 107,365,625 |
| United States Treasury Global Inflation Linked, 0.125%, due Mar 22, 2024 | 50,850,432 | 89,917,519 |
| United States Treasury Inflation Linked, 0.625%, due Jan 15, 2024 | 86,601,718 | 89,742,262 |
| United States Treasury Inflation Linked, 3.875%, due Apr 15, 2029 | 60,438,771 | 88,354,230 |
| United States Treasury Inflation Linked, 0.125%, due Apr 15, 2017 | 81,067,914 | 83,855,029 |
| United States Treasury Global Inflation Linked, 0.125%, due Mar 22, 2044 | 40,076,700 | 71,101,645 |
| Bundesobligation Inflation Linked, 0.75%, due Apr 15, 2018 | 44,178,837 | 63,682,416 |

A complete list of portfolio holdings is available upon request.

MARYLAND STATE RETIREMENT AND PENSION SYSTEM

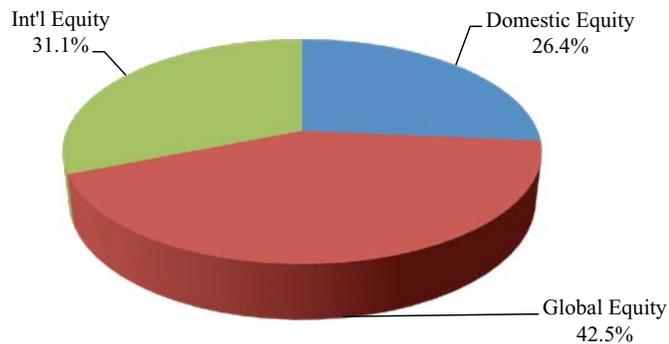
INVESTMENT PORTFOLIO ALLOCATION

as of June 30, 2014



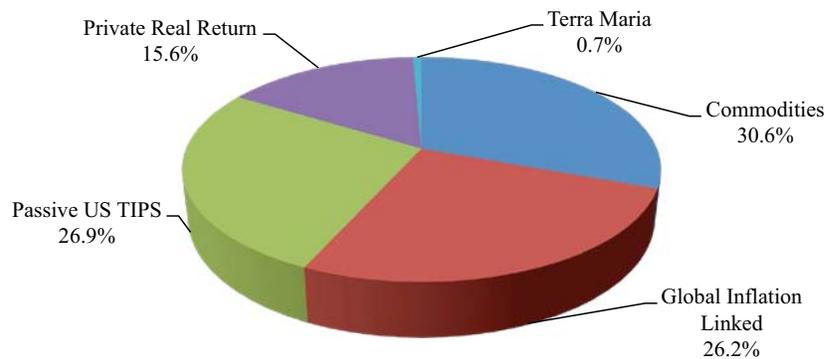
PUBLIC EQUITY DISTRIBUTION BY TYPE

as of June 30, 2014

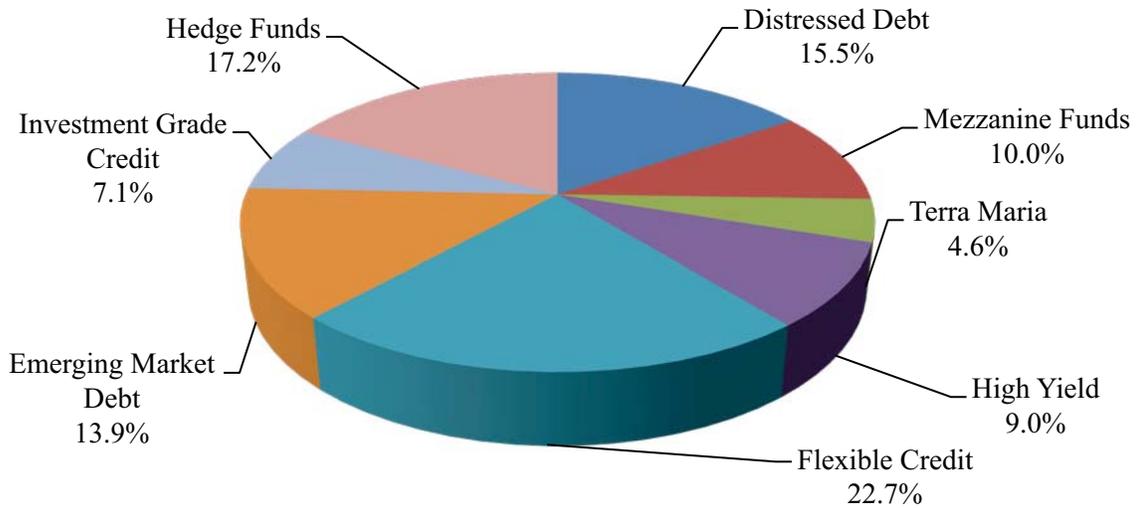


REAL RETURN DISTRIBUTION BY TYPE

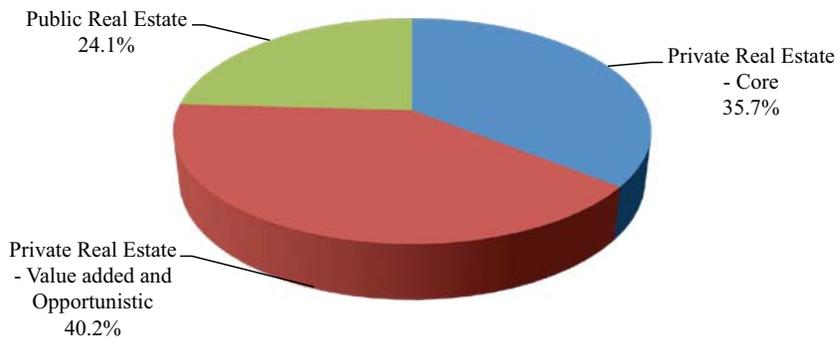
as of June 30, 2014



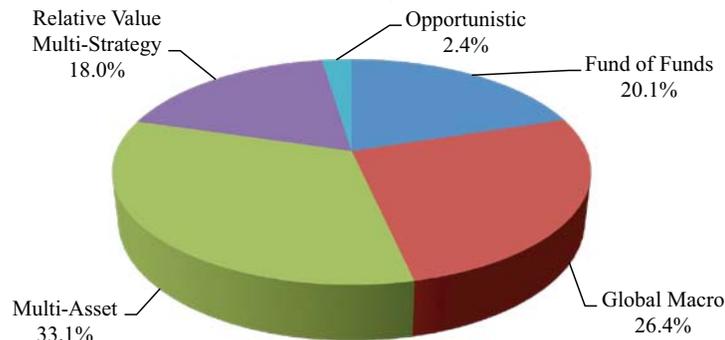
MARYLAND STATE RETIREMENT AND PENSION SYSTEM
CREDIT/DEBT STRATEGIES DISTRIBUTION BY TYPE
 as of June 30, 2014



REAL ESTATE DISTRIBUTION BY TYPE
 as of June 30, 2014

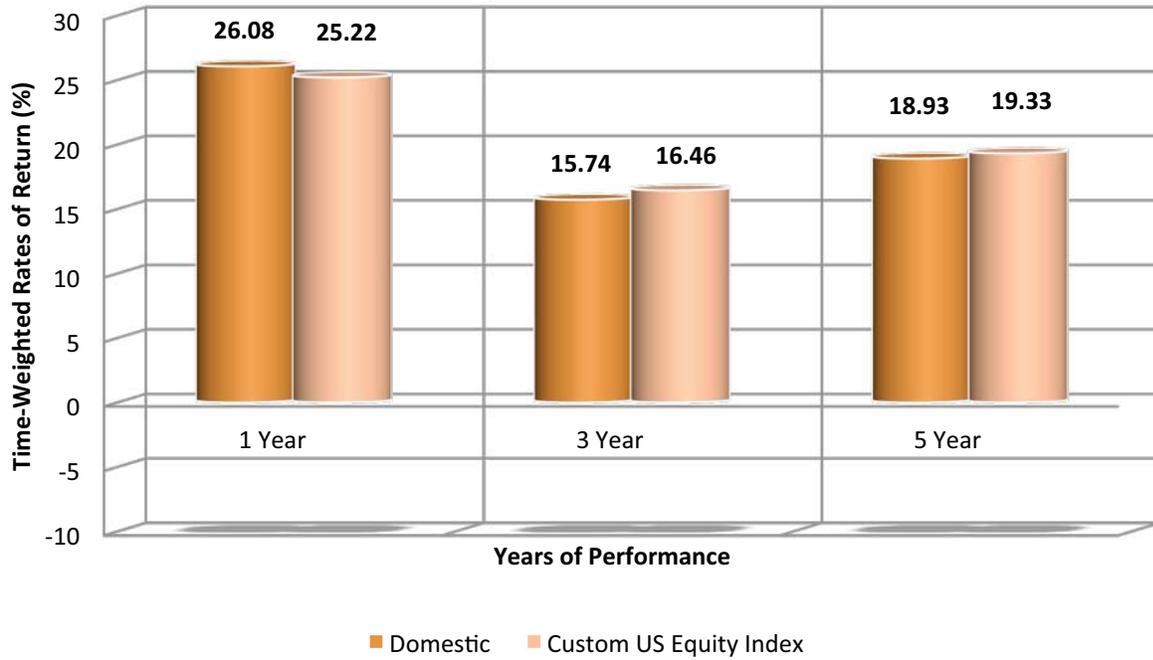


ABSOLUTE RETURN DISTRIBUTION BY TYPE
 as of June 30, 2014

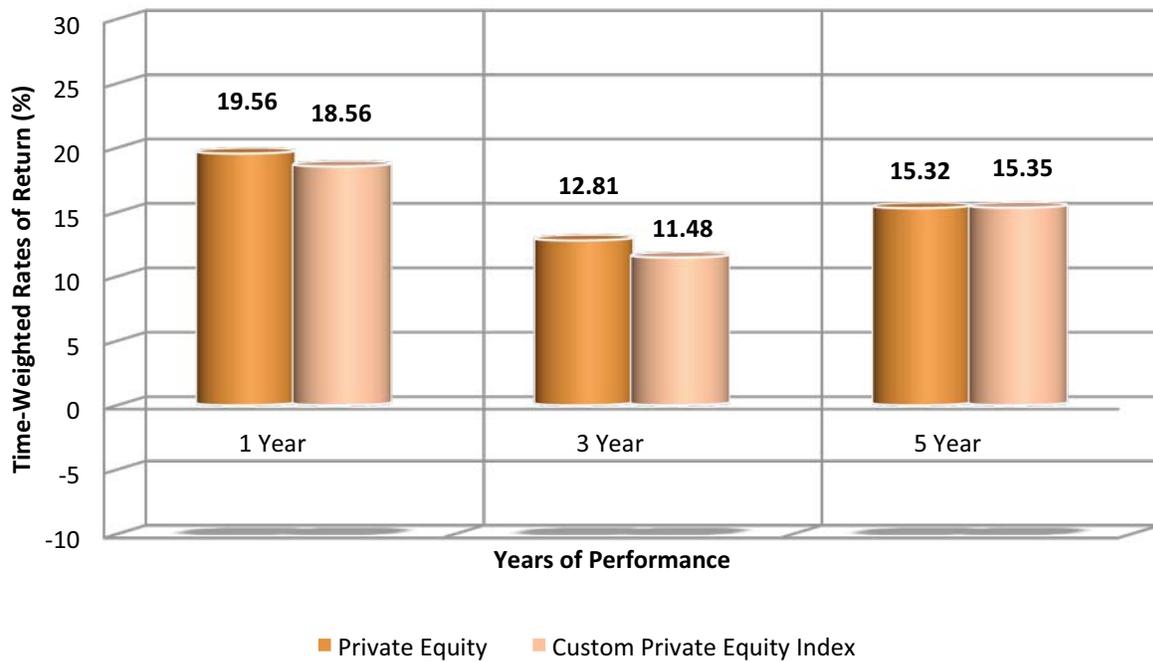


MARYLAND STATE RETIREMENT AND PENSION SYSTEM
 COMPARATIVE INVESTMENT RETURNS ENDING JUNE 30, 2014

DOMESTIC EQUITY

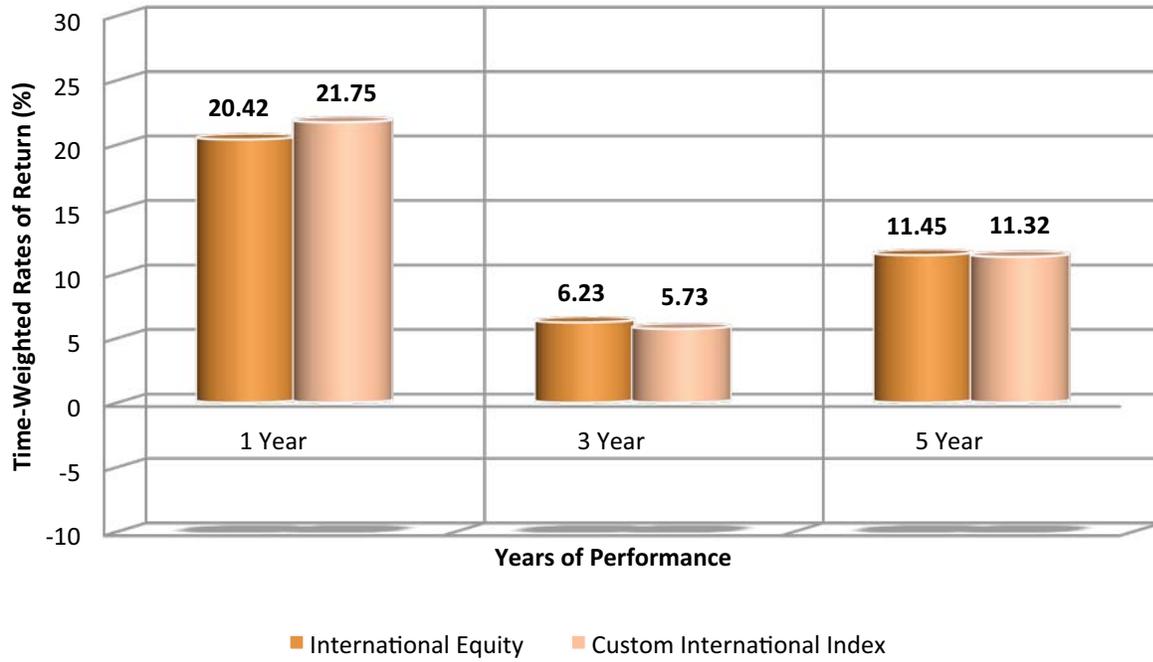


PRIVATE EQUITY

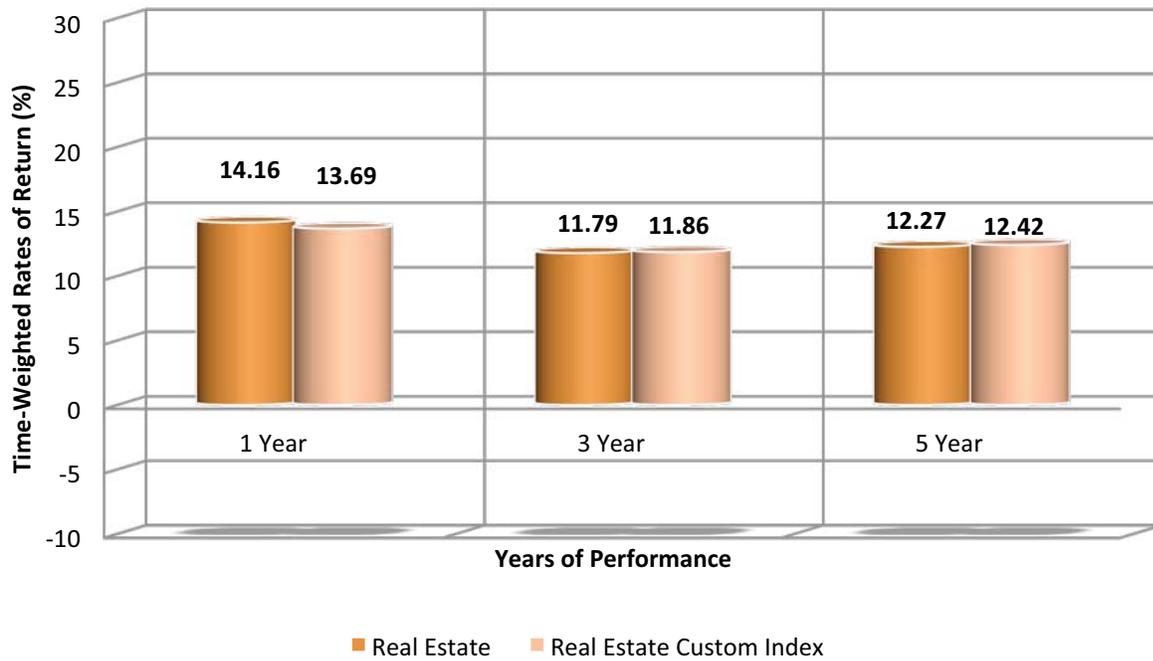


MARYLAND STATE RETIREMENT AND PENSION SYSTEM
COMPARATIVE INVESTMENT RETURNS ENDING JUNE 30, 2014

INTERNATIONAL EQUITY

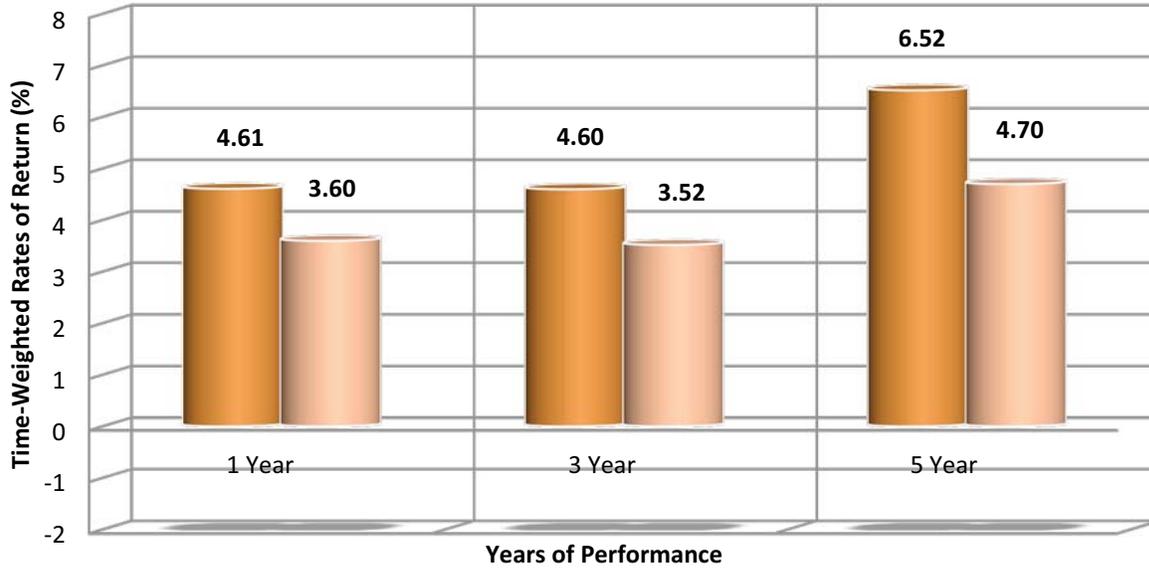


REAL ESTATE



MARYLAND STATE RETIREMENT AND PENSION SYSTEM
COMPARATIVE INVESTMENT RETURNS ENDING JUNE 30, 2014

FIXED INCOME



■ Fixed Income ■ Custom Fixed Income Index

MARYLAND STATE RETIREMENT AND PENSION SYSTEM

TEN-YEAR HISTORY OF TIME-WEIGHTED ANNUAL RETURNS



TEN-YEAR GROWTH OF INVESTMENT PORTFOLIO

