
Annual State Retirement and Pension System's Investment Overview

**Presented to the
Joint Committee on Pensions**

**Department of Legislative Services
Office of Policy Analysis
Annapolis, Maryland**

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Annual State Retirement and Pension System's Investment Overview

At the request of the Joint Committee on Pensions, the Department of Legislative Services (DLS) annually reviews the investment performance of the State Retirement and Pension System (SRPS) for the preceding fiscal year. This report is intended to provide an overview of the SRPS performance, a comparison of this performance to its peers, and an identification of issues meriting consideration by the joint committee during the upcoming legislative session.

State Retirement and Pension System Investment Performance

The system's investment return for fiscal 2013 was 10.6% net of management fees, exceeding its investment return target of 7.75% for the fourth time in the last five years. After struggling through most of fiscal 2012, public equity markets led the resurgence in worldwide financial market performance in fiscal 2013. Broad indices of public equities were all strongly higher: the U.S. domestic S&P 500 index rose 27.3% and the MSCI international index rose 18.3%. With public equities making up 42.3% of the portfolio, this impressive performance propelled the system to generate returns well in excess of its target.

As shown in **Exhibit 1**, the system's assets totaled \$40.25 billion as of June 30, 2013, an increase of 8.5% over fiscal 2012 after accounting for benefit payouts and other expenses. This is just the second time in its history that the fund has exceeded the \$40.0 billion level, the first coming just before the crisis in financial markets of 2008. As noted above, the strongest performing asset classes in fiscal 2013 were public equity (19.1%), credit and debt (13.4%), and real estate (12.6%); private equity also did well, earning 11.7%. Driven by low interest rates, the two weakest classes were real return (-1.45%) and fixed income (1.1%). Absolute return also performed poorly (3.4%), largely due to the underperformance of one manager. Asset class performance is discussed in greater detail later in this report.

Exhibit 1
State Retirement and Pension System of Maryland
Fund Investment Performance for Periods Ending June 30¹
(\$ in Millions)

	<u>Assets</u>	<u>% Total</u>	<u>Time Weighted Total Returns</u>		
			<u>1 Year</u>	<u>5 Years</u>	<u>10 Years</u>
Domestic Equity	\$4,649.9	11.6%	21.6%	6.8%	7.3%
International Equity	5,539.9	13.8%	16.4%	-0.4%	8.4%
Global Equity	6,839.1	17.0%	20.6%	3.3%	n/a
Fixed Income	6,510.6	16.2%	1.1%	6.4%	5.3%
Credit and Debt	3,380.5	8.4%	13.4%	n/a	n/a
Real Estate	2,322.2	5.8%	12.6%	1.4%	9.0%
Real Return	5,068.1	12.6%	-1.45%	4.7%	n/a
Private Equity	2,504.9	6.2%	11.7%	5.8%	12.3%
Absolute Return	2,925.0	7.3%	3.4%	3.2%	n/a
Cash	510.6	1.3%	1.5%	3.2%	n/a
Total Fund	\$40,250.7	100.0%	10.6%	4.0%	6.6%

¹ Data presented here includes money invested by the system on behalf of the Maryland Transit Administration.

Note: Returns beyond one year are annualized. Returns are net of fees, except for 10-year returns, which are gross of fees. Columns may not add to total due to rounding.

Source: State Street Investment Analytics

Terra Maria Program

The Terra Maria program, the system's emerging manager program, rebounded from weak performance in fiscal 2012 to outperform program benchmarks in fiscal 2013. Now in its seventh year, the program experienced some retrenchment in size as managers with track records of poor performance were terminated. After hitting its peak of 110 asset managers in each of the past two years, the Terra Maria program finished fiscal 2013 with just 94 managers. Total assets devoted to the program continued their decline, dropping by 11.3% (\$352.7 million) compared with fiscal 2012, to their current level of almost \$2.8 billion. With total system assets increasing year-over-year, Terra Maria's relative size also decreased, from 8.4% of total assets in fiscal 2012 to 6.9% of total assets in fiscal 2013. These trends are driven in part by manager performance as well as by the system's overall move away from active domestic equity management, which represents the program's largest single asset class. **Exhibit 2** provides an overview of the Terra Maria program by program manager and asset class.

Exhibit 2
Terra Maria Program Performance
June 30, 2013
(\$ in Millions)

<u>Program Manager</u>	<u>Total Assets</u>	<u>Performance</u>			
		<u>Fiscal 2013 Actual</u>	<u>Fiscal 2013 Benchmark</u>	<u>Inception Actual</u>	<u>Inception Benchmark</u>
Attucks	\$389.7	17.6%	15.5%	16.9%	16.1%
Bivium	330.0	16.7%	16.3%	15.3%	15.1%
Capital Prospects	388.4	18.8%	18.5%	19.6%	19.1%
FIS Group	359.1	17.5%	16.6%	15.5%	14.7%
Leading Edge	380.0	13.7%	13.6%	16.3%	14.6%
Northern Trust	624.2	14.3%	14.4%	4.1%	2.8%
Progress	293.5	2.0%	1.5%	11.0%	11.6%
 <u>Asset Class</u>					
U.S. Equity	\$1,197.4	21.4%	21.7%	6.8%	5.7%
International Equity	844.7	14.8%	13.8%	-0.1%	-2.2%
Global Equity	18.2	14.8%	16.5%	11.3%	12.7%
Fixed Income	488.6	0.4%	-0.7%	8.4%	9.7%
Credit/Debt	183.2	11.0%	8.9%	9.0%	9.3%
Real Return	32.8	-4.6%	-2.0%	6.7%	6.9%
Total	\$2,764.9	14.3%	13.8%	4.5%	2.9%

Note: Actual returns are net of fees; returns beyond one year are annualized. Total assets may not sum to total due to rounding.

Source: State Retirement Agency

For fiscal 2013, six of the seven program managers met their performance benchmarks, and on the whole, program performance exceeded its benchmark by 52 basis points. Results are more mixed when asset class performance is considered. Managers in three of the six asset classes failed to meet asset class benchmarks, including domestic equity, by far the largest component of the Terra Maria program. Therefore, it was very strong performance relative to benchmarks among international equity and fixed income managers that enabled the program to exceed its overall benchmark.

Since its inception, the Terra Maria program continues to add value to the portfolio, beating its overall composite benchmark by 156 basis points. However, only domestic and

international equity managers have exceeded benchmarks since inception, with managers in the remaining four asset classes falling short. Among program managers, all but one (Progress) continue to beat their benchmarks since inception.

DLS recommends that State Retirement Agency and board explain the reasons for the continued shrinking of the Terra Maria program and whether they expect program retrenchment to continue.

Performance Compared to Other Systems

According to the Trust Universe Comparison Service (TUCS), the system's fiscal 2013 investment performance was among the worst of 19 public pension funds with at least \$25 billion in assets. The system's fiscal 2013 performance placed it at the ninety-third percentile, as shown in **Exhibit 3**. In the TUCS analysis, the one-hundredth percentile is the lowest ranking, and the first percentile is the highest. Maryland's ranking, therefore, represents a significant worsening of its relative performance, down from the seventy-fifth percentile in fiscal 2012. Long-term performance rankings place SRPS either in or near the bottom quartile for every time frame examined. TUCS rankings are based on returns gross of fees.

Exhibit 3
TUCS Percentile Rankings for Periods Ending June 30
Fiscal 2010-2013

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
1 Year	28	87	75	93
3 Years	76	55	60	87
5 Years	78	87	81	68
10 Years	97	100	93	99

TUCS: Trust Universe Comparison Service

Source: Trust Universe Comparison Service

The TUCS rankings are useful for providing a snapshot assessment of the system's performance relative to other large public pension plans. However, the rankings do not identify the other funds against which SRPS is measured, and provides only limited information on their asset allocation, which has been shown to be responsible for most variation in performance among investment portfolios. Therefore, the rankings offer little by way of explaining why Maryland's performance lags behind that of other funds. However, data provided by TUCS on asset allocation provides some explanation for the system's poor relative performance. Among the large public funds against which Maryland is measured, the median allocation to domestic equity was 30.6%, compared with 25.7% for Maryland. In a year in which domestic equity led

all asset classes in performance, Maryland's underweight to that asset class clearly impeded its relative performance.

A more in-depth examination of asset allocation and returns in comparable state pension plans further illustrates the relationship between allocations to public equity and fund performance. DLS identified eight other state pension funds with asset levels that exceed \$25.0 billion, which is considered the SRPS peer group; these are shown in Exhibit 4. Five of these funds outperformed SRPS in fiscal 2013, and three underperformed the State. Among the nine states, Maryland has the fourth lowest allocation to public equity, and correspondingly the fourth lowest annual return. Three of the four states with the highest annual returns also had among the highest allocations to public equity. Conversely, two of the three states with worse performance were among those with lower allocations to public equity than Maryland; the third (North Carolina) had a slightly higher allocation to public equity than Maryland, but also had the highest allocation among the nine states to fixed income, which was the lowest-performing asset class this year. North Carolina has a fully-funded pension plan, so its asset allocation tends to be more conservative than most states, as reflected by its overweight in fixed income.

Exhibit 4
Performance and Asset Allocation of Public Pension Fund Peers
As of June 30, 2013

	<u>Fiscal 2013 Performance</u>	<u>Assets (\$ in Millions)</u>	<u>Public Equity</u>	<u>Asset Allocation</u>		
				<u>Fixed Income</u>	<u>Real Estate</u>	<u>Alternatives/ Other</u>
Massachusetts	14.3%	\$54.4	46.2%	21.1%	8.3%	24.4%
Florida	13.1%	132.4	59.1%	22.0%	7.7%	11.2%
Washington	12.4%	67.9	37.9%	21.2%	13.6%	27.3%
New Jersey	11.8%	74.5	49.7%	18.6%	3.5%	28.2%
Virginia	11.8%	58.3	44.1%	22.2%	8.1%	25.6%
Maryland	10.6%	40.3	42.3%	16.2%	5.8%	35.7%
South Carolina	10.0%	26.8	28.3%	23.3%	3.7%	44.7%
North Carolina	9.5%	74.9	46.4%	33.8%	8.1%	11.7%
Pennsylvania Teachers	8.0%	49.3	19.3%	13.8%	14.3%	52.6%

Note: Massachusetts' Fiscal 2013 return is gross of fees; all others are net of fees. Alternatives include, among others, private equity, hedge funds, commodities, inflation-protected bonds, and risk parity.

Source: State Retirement and Pension System; investment reports of state pension funds

Although Washington's allocation to public equity was substantially lower than Maryland's, it still generated among the highest annual returns for fiscal 2013. A key reason for this is that Washington has among the most mature private equity programs in the country, which provides it with equity-like returns and reduced volatility. By increasing its allocation to private equity over the past five years (and reducing its reliance on public equity), Maryland is striving to reap the benefits of a mature private equity program in the future.

Looking Ahead: The Future of SRPS Investments

Asset Allocation Continues Transition to Long-term Targets

In its annual spring review of asset allocation, the board made one set of adjustments to its long-term targets that were in effect at the close of the fiscal year in June. The absolute return target was increased from 7.0 to 10.0%, and public equity, real return, and cash were each lowered by 1.0%. Actual allocation to public equity did not progress toward its lowered target during the year, holding steady at 42.4%. However, there was considerable restructuring of public equity holdings, with assets devoted to both domestic and international equity holdings being shifted to global equity, as reflected in **Exhibit 5**. This was prompted, in part, by the persistent underperformance of domestic equity active managers, to which DLS has consistently drawn attention, and the comparatively strong performance of global equity managers. The restructuring also gives the system more flexibility to move funds between domestic and international assets, depending on market conditions.

Exhibit 5 also shows that, besides public equity, the system is still implementing changes in asset allocation that were adopted beginning in fiscal 2008, with allocations moving closer to their long-term targets. Most notably, fixed income dropped from 19.2 to 16.2%, moving closer to its target of 10.0%. There were corresponding increases to private equity, real return, and absolute return.

Exhibit 5
State Retirement and Pension System Asset Allocation
Fiscal 2011-2012

	Strategic Target <u>6/30/2013</u>	Actual <u>6/30/2013</u>	Actual <u>6/30/2012</u>	Actual <u>6/30/2011</u>
Equity				
Domestic Stocks		11.6%	13.0%	16.3%
International Stocks		13.8%	15.0%	18.7%
Global Equity		17.0%	14.4%	12.2%
Total Public Equity	35.0%	42.4%	42.4%	47.2%
Private Equity	10.0%	6.2%	5.7%	4.3%
Real Estate	10.0%	5.8%	6.4%	5.8%
Fixed Income	10.0%	16.2%	19.2%	20.3%
Real Return Strategies	14.0%	12.6%	10.0%	10.4%
Absolute Return	10.0%	7.3%	6.8%	4.4%
Credit/Debt	10.0%	8.4%	7.8%	5.9%
Cash and Other	1.0%	1.3%	1.7%	1.7%
Total Assets	100.0%	100.0%	100.0%	100.0%

Note: Data reflects all system assets held at State Street. Columns may not add to total due to rounding.

Source: State Retirement Agency

Appendix 1 presents the fiscal year-end performance by each investment manager for fiscal 2011 and prior periods, by asset class, and subclass.

Active Management, Alternatives Drive Fee Increases

SRPS incurred \$274.9 million in investment management fees in fiscal 2013, a 13.5% increase over fiscal 2012 fees. As shown in **Exhibit 6**, management fees for the plan as a whole have grown substantially since fiscal 2008, when the system adjusted its asset allocation to invest more heavily in alternative asset classes with higher fee structures. The shift of public equity assets to global equity managers, which are almost all active managers, contributed significantly to the growth in fees this year. However, the shift was also responsible for a significant improvement in public equity performance this year relative to its benchmark.

Exhibit 6
Asset Management Fees Paid by Asset Class
Fiscal 2008-2013
(\$ in Millions)

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Public Equity	\$40.6	\$23.3	\$55.4	\$64.3	\$49.5	\$67.2
Fixed Income	10.0	7.3	7.9	9.7	9.4	11.5
Real Estate	20.9	17.6	25.1	24.1	30.0	24.7
Private Equity	12.6	27.9	35.6	37.6	44.6	53.8
Real Return	n/a	7.0	15.9	20.0	20.9	24.0
Credit and Debt Related	n/a	0.3	10.3	20.2	33.0	46.3
Absolute Return	n/a	11.8	13.5	23.4	26.0	34.7
Currency	n/a	1.3	14.4	13.4	9.2	9.0
Service Providers/Other	5.2	0.2	1.4	1.7	3.1	3.7
Terra Maria	n/a	6.9	n/a	5.2	16.5	n/a
Total	\$89.3	\$103.7	\$183.7	\$219.6	\$242.3	\$274.9

Note: Columns may not sum to total due to rounding.

Source: State Retirement Agency

System fees are not only high relative to previous years but also to fees paid by other institutional investors. **Appendix 2**, which provides additional data regarding fees paid by the system, shows that total fees amounted to 62.0 basis points in fiscal 2013. By contrast, a recent study by Callan Associates, reported in *Pensions & Investments*, found that the average fees paid by 49 institutional investors surveyed, including public and corporate pension funds as well as endowments, was 43.7 basis points. Although this is not an ideal comparison, it does indicate that SRPS fees tend to run higher than those of other institutional investors. One particular finding in the Callan report is cause for concern. Callan found that private equity fees have been declining in recent years and now represent an average of 173.0 basis points for surveyed plans. By contrast, private equity fees for SRPS have been increasing relative to market value and now total 224.3 basis points. **DLS recommends that the board and SRA justify the fees paid to private equity managers and report on current and future strategies to negotiate lower fees for private equity and other alternative asset classes.**

Service Provider Fees Are Not Treated in Consistent Manner

Historically, investment management fees have been nonbudgeted; therefore, they are not subject to annual appropriation or oversight by the General Assembly. In fiscal 2003, in response to prompting by the General Assembly, SRPS hired its first general investment

consultant, EnnisKnupp (now Hewitt EnnisKnupp, or HEK), to advise it on asset allocation and other related matters. From the beginning, HEK's contract has been a budgeted expense; in fiscal 2014, the working appropriation for that contract is \$615,000. Following its retention of HEK, however, the board has elected over time to hire multiple specialized consultants to advise it on manager selection in private equity (Altius), real estate (Pension Consulting Alliance), and hedge funds (Albourne). It also retains outside legal counsel to review partnership agreements for private equity and private real estate investments. In addition, Record Currency provides currency management services. In performing its contractual duties, Record does not directly manage any SRPS assets but is paid a fee to provide protection against losses resulting from international exchange rate fluctuations. In fiscal 2013, fees paid to these multiple service providers totaled \$12.7 million.

Unlike the HEK contract, fees paid to specialized consultants, outside legal counsel, and Record are not budgeted expenses. However, they cannot be characterized as investment management fees since none of the service providers actually manage system assets. DLS notes that all service providers are retained in accordance with State procurement laws and procedures, and all service provider fees are reported on the system's financial statements as direct deductions from the State's pension fund. However, unlike the HEK contract or similar contracts with other professional service providers, such as the system's actuary or outside tax counsel, these service contracts are not subject to appropriation or to the system's statutory expenditure cap. **Therefore, DLS requests that the board develop a policy for inclusion in its Investment Policy Manual that includes criteria to be applied consistently in determining when fees paid to investment-related service providers are to be considered budgeted or nonbudgeted expenditures. The policy should be submitted to the Senate Budget and Taxation Committee and the House Appropriations Committee by September 1, 2014; the committees shall have 45 days for review and comment.**

Investment Division Managers Receive Authorized Pay Increases

Chapters 561 and 562 of 2012 authorize the Board of Trustees to set or increase the salaries of the Deputy Chief Investment Officer (DCIO) and four managing directors within the Investment Division, subject to specified restrictions. The salary for the DCIO may not exceed the maximum salary in the ES11 range within the State's Executive Pay Plan (EPP), and the salaries for the managing directors may not exceed the maximum salary in the ES9 range within EPP. At the time, the DCIO's salary was \$114,985, and the maximum ES11 salary was \$169,404. Salaries for the managing directors ranged from \$106,159 to \$110,297, with the maximum salary under ES9 being \$146,136.

However, Chapters 561 and 562 placed additional restrictions on annual salary increases for these five individuals, which could not exceed 10% of the lowest salary for the position in the prior fiscal year. There is only one DCIO, so the initial salary increase could not exceed \$11,498 (10% of \$114,985). For the managing directors, the initial salary increase could not exceed \$10,615 (10% of the lowest salary of \$106,159). SRA advises that following the enactment of Chapters 561 and 562, the DCIO received a salary increase of \$9,190, which is within the

allowable range. In addition, two of the four managing directors received salary increases of \$2,123 and \$7,721, respectively, which are also well within the allowable range. The remaining two managing directors did not receive any salary increase. The total cost of the salary increases was \$19,035. Although these salary increases took effect in fiscal 2013, they were granted too late to be reflected in the agency's fiscal 2014 budget, so the agency absorbed the cost of the increase in fiscal 2014.

State Retirement Agency of Maryland
 RATES OF RETURN - Net Manager Fees
 PERIODS ENDING - June 30, 2013



STATE STREET

SUMMARY OF PERFORMANCE

	MILLIONS	% Total	1 MO	3 MO	YTD	FYTD	1 YR	3 YRS	5 YRS	10 YRS	INCEP	Inc Date
U.S. EQUITY												
RHUMBLINE RUSSELL 1000	1,160.84	2.9	-1.36	2.67	13.90						15.99	11-01-12
RUSSELL 1000			-1.36	2.65	13.91						16.00	
EXCESS			0.01	0.02	-0.01						-0.01	
SSGA RUSSELL 3000 INDEX	1,039.52	2.6	-1.28	2.66	13.92	21.23	21.23				12.23	07-01-11
RUSSELL 3000			-1.30	2.69	14.06	21.46	21.46				12.31	
EXCESS			0.02	-0.03	-0.14	-0.23	-0.23				-0.08	
D.E. SHAW ALL CAP CORE ENHANCED	387.77	1.0	-1.16	3.09							3.09	04-01-13
RUSSELL 3000			-1.30	2.69							2.69	
EXCESS			0.14	0.40							0.40	
RELATIONAL INVESTORS	219.61	0.6	-1.66	1.73	23.55	27.26	27.26	19.08	7.00	8.17	9.00	01-01-98
S&P 500			-1.34	2.91	13.82	20.60	20.60	18.45	7.01	7.30	5.20	
EXCESS			-0.32	-1.18	9.73	6.66	6.66	0.63	-0.01	-0.87	3.80	
T. ROWE PRICE ENHANCED	533.39	1.3	-1.44	2.85	13.56	20.44	20.44	18.25	7.18		5.77	05-01-06
S&P 500			-1.34	2.91	13.82	20.60	20.60	18.45	7.01		5.11	
EXCESS			-0.10	-0.06	-0.26	-0.16	-0.16	-0.20	0.17		0.66	
UBS US EQUITY HALO	0.01	0.0										07-01-09

Appendix 1

State Retirement Agency of Maryland

RATES OF RETURN - Net Manager Fees

PERIODS ENDING - June 30, 2013



STATE STREET

SUMMARY OF PERFORMANCE

	MILLIONS	% Total	1 MO	3 MO	YTD	FYTD	1 YR	3 YRS	5 YRS	10 YRS	INCEP	Inc Date
ZEVENBERGEN CAPITAL INV.	111.35	0.3	-0.07	10.10	23.03	26.55	26.55	16.51			25.14	12-01-08
1 <i>Custom Zevenbergen Index</i>			-1.78	2.19	12.23	17.56	17.56	17.91			21.01	
EXCESS			1.71	7.91	10.80	8.99	8.99	-1.40			4.13	
TOTAL U.S. EQUITY ACTIVE	1,252.12	3.1	-1.27	3.32	16.68	22.53	22.53	16.10	4.79	5.68		06-01-94
2 ACTIVE US EQ BM			-1.37	2.78	13.59	20.24	20.24	18.33	6.85			
EXCESS			0.10	0.54	3.09	2.29	2.29	-2.23	-2.06			
TOTAL TERRA MARIA US EQUITY	1,197.42	3.0	-1.19	2.94	13.88	21.38	21.38	18.06	9.10		6.80	04-01-07
3 TERRA MARIA US EQUITY BENCHMARK			-1.21	2.69	14.20	21.66	21.66	19.11	9.11		5.75	
EXCESS			0.02	0.25	-0.32	-0.28	-0.28	-1.05	-0.01		1.05	
TOTAL TM US EQUITY + ACTIVE U.S. EQUIT	2,449.54	6.1	-1.23	3.14	15.02	21.89	21.89	17.03	6.98		6.98	07-01-08
2 TM US EQ + ACTIVE US EQ BM			-1.29	2.73	13.97	21.12	21.12	18.73	7.76		7.76	
EXCESS			0.06	0.41	1.05	0.77	0.77	-1.70	-0.78		-0.78	
TRANSITION ACCOUNT	0.00	0.0										07-01-83
4 TOTAL U.S. EQUITY	4,649.90	11.6	-1.27	2.93	14.53	21.59	21.59	17.64	6.82	7.34	8.03	04-01-94
5 MSRA CUSTOM US EQUITY INDEX			-1.30	2.69	14.06	21.46	21.46	18.63	7.25	7.88	9.06	
EXCESS			0.03	0.24	0.47	0.13	0.13	-0.99	-0.43	-0.54	-1.03	
2 US EQUITY DYNAMIC BENCHMARK			-1.31	2.70	13.97	21.18	21.18	18.54	7.35			

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Returns for periods prior to 7/1/2008 are Gross of Fees

State Retirement Agency of Maryland
 RATES OF RETURN - Net Manager Fees
 PERIODS ENDING - June 30, 2013



STATE STREET

SUMMARY OF PERFORMANCE

	MILLIONS	% Total	1 MO	3 MO	YTD	FYTD	1 YR	3 YRS	5 YRS	10 YRS	INCEP	Inc Date
INTERNATIONAL EQUITY												
SSGA INTERNATIONAL FUND	1,829.87	4.5	-3.72	-1.41	3.22	17.28	17.28	9.71	-0.45	8.76	9.50	06-01-03
6 SSGA INTERNATIONAL CUSTOM INDEX EXCESS			-3.75	-1.61	3.01	17.07	17.07	9.43	-0.77	8.53	9.27	
			0.03	0.20	0.21	0.21	0.21	0.28	0.32	0.23	0.23	
SSGA EMERGING MARKETS INDEX FUND	615.54	1.5	-6.36	-7.96	-9.89	2.52	2.52	15.98	3.82	8.76	9.95	06-01-12
MSCI EMERGING MARKETS (NET) EXCESS			-6.37	-8.08	-9.57	2.87	2.87	9.73	0.15	8.53	6.30	
			0.01	0.12	-0.32	-0.35	-0.35	6.25	3.67	0.23	-2.31	
ARTISAN PARTNERS, L.P.	530.66	1.3	-2.98	0.25	7.53	22.45	22.45	15.98	3.82	8.76	9.95	11-01-03
7 ARTISAN CUSTOM BENCHMARK EXCESS			-3.75	-1.61	3.01	17.07	17.07	9.73	0.15	8.53	7.84	
			0.77	1.86	4.52	5.38	5.38	6.25	3.67	0.23	2.11	
EARNEST PARTNERS INTL EQUITY	302.25	0.8	-5.08	-4.59	-1.80	16.18	16.18	9.62			7.06	10-01-09
MSCI AC WORLD ex US (NET) EXCESS			-4.34	-3.11	-0.04	13.63	13.63	7.99			4.09	
			-0.74	-1.48	-1.76	2.55	2.55	1.63			2.97	
DFA NON US GDP STRATEGY	0.82	0.0										01-01-10
BROWN CAPITAL MANAGEMENT INT'L	214.09	0.5	-2.75	0.16	9.98	26.35	26.35	10.45			16.91	12-01-08
MSCI All Country World ex US IMI net EXCESS			-4.43	-3.27	0.18	13.91	13.91	8.13			12.61	
			1.68	3.43	9.80	12.44	12.44	2.32			4.30	

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 Returns for periods prior to 7/1/2008 are Gross of Fees

State Retirement Agency of Maryland

RATES OF RETURN - Net Manager Fees

PERIODS ENDING - June 30, 2013



STATE STREET

SUMMARY OF PERFORMANCE

	MILLIONS	% Total	1 MO	3 MO	YTD	FYTD	1 YR	3 YRS	5 YRS	10 YRS	INCEP	Inc Date
MCKINLEY CAPITAL MANAGEMENT	0.35	0.0										04-01-09
INVESCO INTERNATIONAL EQUITY	0.19	0.0										10-01-09
UBS INTERNATIONAL EQUITY	288.78	0.7	-3.51	-1.18	3.75	18.33	18.33	8.68			4.12	11-01-09
MSCI WORLD EX US (NET) EXCESS			-3.75	-1.61	3.01	17.07	17.07	9.43			4.96	
			0.24	0.43	0.74	1.26	1.26	-0.75			-0.84	
DFA INTERNATIONAL CORE EQUITY	205.15	0.5	-3.84								-5.33	05-01-13
MSCI WORLD EX US (NET) EXCESS			-3.75								-5.90	
			-0.09								0.57	
DFA SMALL CAP INTERNATIONAL	222.94	0.6	-2.65	-2.25	3.84	18.86	18.86	11.23	2.31		3.44	03-01-06
8 DFA Custom Benchmark EXCESS			-3.95	-3.49	3.50	17.82	17.82	11.18	2.24		2.02	
			1.30	1.24	0.34	1.04	1.04	0.05	0.07		1.42	
GENESIS ASSET MANAGERS LTD	206.40	0.5	-6.78	-7.10	-6.70	6.86	6.86	6.43			12.93	07-01-09
MSCI EMERGING MARKETS (NET) EXCESS			-6.37	-8.08	-9.57	2.87	2.87	3.38			8.00	
			-0.41	0.98	2.87	3.99	3.99	3.05			4.93	
ROBECO EMERGING MARKETS EQUITY	185.32	0.5	-7.18	-8.93	-9.99	3.05	3.05				-3.66	10-01-10
MSCI EMERGING MARKETS (NET) EXCESS			-6.37	-8.08	-9.57	2.87	2.87				-2.37	
			-0.81	-0.85	-0.42	0.18	0.18				-1.29	

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State Retirement Agency of Maryland
 RATES OF RETURN - Net Manager Fees
 PERIODS ENDING - June 30, 2013



STATE STREET

SUMMARY OF PERFORMANCE

	MILLIONS	% Total	1 MO	3 MO	YTD	FYTD	1 YR	3 YRS	5 YRS	10 YRS	INCEP	Inc Date
CAPITAL INTERNATIONAL EMERGING MAR	39.16	0.1	-7.34	-7.91	-8.59	3.95	3.95				-6.82	10-01-10
MSCI Emerging Markets IMI Index (Net)			-6.67	-8.01	-8.89	3.66	3.66				-2.41	
EXCESS			-0.67	0.10	0.30	0.29	0.29				-3.41	
TOTAL ACTIVE EMERGING MARKET	430.88	1.1	-7.00	-7.97	-8.32	4.99	4.99	1.47			1.47	07-01-10
MSCI EMERGING MARKETS (NET)			-6.37	-8.08	-9.57	2.87	2.87	3.38			3.38	
EXCESS			-0.63	0.11	1.25	2.12	2.12	-1.91			-1.91	
GLOBEFLEX CAPITAL, L.P.	0.01	0.0										02-01-06
TOTAL ACTIVE INTERNATIONAL EQUITY	2,196.14	5.5	-4.18	-2.72	1.45	16.78	16.78	8.13	-0.95	8.06		01-01-95
2 ACTIVE INTL EQ BM			-4.45	-3.60	-0.50	13.13	13.13	7.78	-0.51			
EXCESS			0.27	0.88	1.95	3.65	3.65	0.35	-0.44			
TOTAL TERRA MARIA INT'L EQUITY	844.69	2.1	-3.87	-2.35	1.35	14.77	14.77	9.24	3.04		-0.09	11-01-07
9 TERRA MARIA INTL EQ BENCHMARK			-4.32	-3.11	-0.01	13.78	13.78	8.20	0.94		-2.19	
EXCESS			0.45	0.76	1.36	0.99	0.99	1.04	2.10		2.10	
TOTAL TM INTL EQUITY + ACTIVE INTL EQ	3,040.83	7.6	-4.09	-2.62	1.44	16.30	16.30	8.34	-0.15		-0.15	07-01-08
2 TM INTL EQ + ACTIVE INTL EQ BM			-4.42	-3.46	-0.36	13.31	13.31	7.88	-0.43		-0.43	
EXCESS			0.33	0.84	1.80	2.99	2.99	0.46	0.28		0.28	
TOTAL INTL EQUITY EX OVERLAY	5,486.23	13.6	-4.23	-2.84	0.64	14.96	14.96	8.29	-0.57	8.27		01-01-95
10 MSRA CUSTOM INTERNATIONAL INDEX			-4.34	-3.11	-0.04	13.63	13.63	7.99	-0.61	8.73	5.47	
EXCESS			0.11	0.27	0.68	1.33	1.33	0.30	0.04	-0.46		

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 Returns for periods prior to 7/11/2008 are Gross of Fees

State Retirement Agency of Maryland

RATES OF RETURN - Net Manager Fees

PERIODS ENDING - June 30, 2013



STATE STREET

SUMMARY OF PERFORMANCE

	MILLIONS	% Total	1 MO	3 MO	YTD	FYTD	1 YR	3 YRS	5 YRS	10 YRS	INCEP	Inc Date
RECORD CURRENCY MANAGEMENT	53.65	0.1										05-01-09
11 TOTAL INTERNATIONAL EQUITY	5,539.88	13.8	-4.45	-2.45	1.92	16.43	16.43	7.43	-0.39	8.36	6.46	01-01-95
10 MSRA CUSTOM INTERNATIONAL INDEX			-4.34	-3.11	-0.04	13.63	13.63	7.99	-0.61	8.73	5.41	
EXCESS			-0.11	0.66	1.96	2.80	2.80	-0.56	0.22	-0.37	1.05	
2 INTL EQUITY DYNAMIC BENCHMARK			-4.42	-3.39	-0.35	13.30	13.30	8.00	-0.87			

State Retirement Agency of Maryland
 RATES OF RETURN - Net Manager Fees
 PERIODS ENDING - June 30, 2013



STATE STREET

SUMMARY OF PERFORMANCE

	MILLIONS	% Total	1 MO	3 MO	YTD	FYTD	1 YR	3 YRS	5 YRS	10 YRS	INCEP	Inc Date
GLOBAL EQUITY												
SSGA GLOBAL INDEX FUND	335.71	0.8	-2.89	-0.35	6.12	16.65	16.65	14.82	0.10		9.99	05-01-12
MSCI AC WORLD (NET) EXCESS			-2.92	-0.42	6.05	16.57	16.57	12.36	2.30		9.65	
			0.03	0.07	0.07	0.08	0.08	2.46	-2.20		0.34	
TOTAL PASSIVE GLOBAL EQUITY	335.71	0.8	-2.89	-0.35	6.12	16.65	16.65	14.82	0.10		9.99	05-01-12
MSCI AC WORLD (NET) EXCESS			-2.92	-0.42	6.05	16.57	16.57	12.36	2.30		9.65	
			0.03	0.07	0.07	0.08	0.08	2.46	-2.20		0.34	
ACADIAN ASSET MGT	594.36	1.5	-3.87	-0.74	8.34	19.45	19.45	14.82	0.10		4.29	10-01-05
MSCI AC WORLD (NET) EXCESS			-2.92	-0.42	6.05	16.57	16.57	12.36	2.30		4.40	
			-0.95	-0.32	2.29	2.88	2.88	2.46	-2.20		-0.11	
TEMPLETON INVESTMENT MGT	625.14	1.6	-3.10	2.94	8.87	25.87	25.87	17.00	5.21		6.66	01-01-06
MSCI AC WORLD (NET) EXCESS			-2.92	-0.42	6.05	16.57	16.57	12.36	2.30		4.10	
			-0.18	3.36	2.82	9.30	9.30	4.64	2.91		2.56	
T. ROWE PRICE GLOBAL	0.04	0.0										01-01-08
BAILLIE GIFFORD	649.25	1.6	-2.94	1.11	1.42	11.27	11.27	13.42	2.03		2.54	02-01-08
MSCI AC WORLD (NET) EXCESS			-2.92	-0.42	6.05	16.57	16.57	12.36	2.30		1.60	
			-0.02	1.53	-4.63	-5.30	-5.30	1.06	-0.27		0.94	
MARATHON LONDON	0.89	0.0										03-01-09

State Retirement Agency of Maryland

RATES OF RETURN - Net Manager Fees

PERIODS ENDING - June 30, 2013



STATE STREET

SUMMARY OF PERFORMANCE

	MILLIONS	% Total	1 MO	3 MO	YTD	FYTD	1 YR	3 YRS	5 YRS	10 YRS	INCEP	Inc Date
ALLIANCE BERNSTEIN ALL COUNTRY BLE	0.07	0.0										10-01-09
LONGVIEW PRTRNS GLOBAL EQUITY	324.66	0.8	-1.14	4.64	14.76	27.82	27.82	17.61			13.55	10-01-09
MSCI AC WORLD (NET)			-2.92	-0.42	6.05	16.57	16.57	12.36			8.23	
EXCESS			1.78	5.06	8.71	11.25	11.25	5.25			5.32	
BROWN CAPITAL GLOBAL EQUITY	269.39	0.7	-2.75	-2.31	8.66	21.99	21.99	13.47			8.71	01-01-10
MSCI AC WORLD (NET)			-2.92	-0.42	6.05	16.57	16.57	12.36			7.45	
EXCESS			0.17	-1.89	2.61	5.42	5.42	1.11			1.26	
GSAM GLOBAL RESPONSIBLE EQUITY	319.91	0.8	-2.76	0.53	6.90	20.66	20.66	13.27			12.55	07-01-09
¹² Custom GSAM Global Responsible BIM			-2.92	-0.42	6.05	16.57	16.57	12.64			12.75	
EXCESS			0.16	0.95	0.85	4.09	4.09	0.63			-0.20	
AQR CAPITAL-GLOBAL EQUITY	577.24	1.4	-2.20	0.92	8.30	20.56	20.56				11.94	08-01-10
MSCI AC WORLD (NET)			-2.92	-0.42	6.05	16.57	16.57				9.76	
EXCESS			0.72	1.34	2.25	3.99	3.99				2.18	
D.E. SHAW INV -GLOBAL EQUITY	462.42	1.1	-2.21	1.43	10.05	20.97	20.97				12.86	08-01-10
MSCI WORLD (NET)			-2.46	0.65	8.43	18.58	18.58				11.14	
EXCESS			0.25	0.78	1.62	2.39	2.39				1.72	
SSGA MSCI ACWI MINIMUM VOLATILITY	392.19	1.0	-0.70	-1.37	7.56						7.56	01-01-13
MSCI AC WORLD (NET)			-2.92	-0.42	6.05						6.05	
EXCESS			2.22	-0.95	1.51						1.51	

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State Retirement Agency of Maryland
 RATES OF RETURN - Net Manager Fees
 PERIODS ENDING - June 30, 2013



STATE STREET

SUMMARY OF PERFORMANCE

	MILLIONS	% Total	1 MO	3 MO	YTD	FYTD	1 YR	3 YRS	5 YRS	10 YRS	INCEP	Inc Date
TOTAL ACTIVE GLOBAL EQUITY	4,215.56	10.5	-2.55	0.90	7.93	19.76	19.76	14.26	3.25		5.21	10-01-05
MSCI AC WORLD (NET)			-2.92	-0.42	6.05	16.57	16.57	12.36	2.30		4.40	
EXCESS			0.37	1.32	1.88	3.19	3.19	1.90	0.95		0.81	
MARSHALL WACE EUREKA FUND	237.58	0.6	2.35	5.04	13.45						18.79	10-01-12
MSCI AC WORLD (NET)			-2.92	-0.42	6.05						9.11	
EXCESS			5.27	5.46	7.40						9.68	
STELLIAM FUND	100.00	0.2										06-01-13
SCOPIA PX LLC	215.98	0.5	2.21	6.38	7.50	7.99	7.99				7.99	07-01-12
HFR1 Equity Hedge (Total) Index			-1.56	0.10	5.04	10.66	10.66				10.66	
EXCESS			3.77	6.28	2.46	-2.67	-2.67				-2.67	
AMICI QUALIFIED ASSOCIATES LP	207.90	0.5	-3.63	-3.55	1.84						3.95	09-01-12
HFR1 Equity Hedge (Total) Index			-1.56	0.10	5.04						9.07	
EXCESS			-2.07	-3.65	-3.20						-5.12	
HOPLITE ONSHORE	212.84	0.5	-0.51	1.78							6.42	02-01-13
HFR1 Equity Hedge (Total) Index			-1.56	0.10							1.64	
EXCESS			1.05	1.68							4.78	

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State Retirement Agency of Maryland

RATES OF RETURN - Net Manager Fees

PERIODS ENDING - June 30, 2013



STATE STREET

SUMMARY OF PERFORMANCE

	MILLIONS	% Total	1 MO	3 MO	YTD	FYTD	1 YR	3 YRS	5 YRS	10 YRS	INCEP	Inc Date
TIGER CONSUMER MANAGEMENT	101.96	0.3	-1.56	1.96							1.96	04-01-13
HFRI Equity Hedge (Total) Index			-1.56	0.10							0.10	
EXCESS			0.00	1.86							1.86	
NEON LIBERTY CAPITAL MANAGEMENT	102.54	0.3	0.76	2.54							2.54	04-01-13
MSCI EMERGING MARKETS (NET)			-6.37	-8.08							-8.08	
EXCESS			7.13	10.62							10.62	
INDUS PACIFIC OPPORTUNITIES FUND	98.84	0.2	-1.16								-1.16	06-01-13
MSCI AC Asia Pacific Net Index			-2.90								-2.90	
EXCESS			1.74								1.74	
TOTAL EQUITY HEDGE FUND	1,277.64	3.2	-0.06	2.09	6.90	10.23	10.23				10.23	07-01-12
HFRI Equity Hedge (Total) Index			-1.56	0.10	5.04	10.66	10.66				10.66	
EXCESS			1.50	1.99	1.86	-0.43	-0.43				-0.43	
TOTAL TERRA MARIA GLOBAL EQUITY	18.20	0.0	-3.55	-1.79	4.21	14.82	14.82	9.80			11.30	12-01-08
TERRA MARIA GLOBAL EQ BM			-2.92	-0.42	6.05	16.52	16.52	12.62			12.71	
EXCESS			-0.63	-1.37	-1.84	-1.70	-1.70	-2.82			-1.41	
TOTAL TM GLB EQ + ACTIVE GLB EQ + HF	5,511.40	13.7	-2.03	1.23	8.11	19.20	19.20	13.97	3.05		3.05	07-01-08
2 TM GLOBAL + ACTIVE GLOBAL BM + EQ HF			-2.76	-0.35	6.09	16.31	16.31	12.35	2.30		2.30	
EXCESS			0.73	1.58	2.02	2.89	2.89	1.62	0.75		0.75	

State Retirement Agency of Maryland

RATES OF RETURN - Net Manager Fees

PERIODS ENDING - June 30, 2013



STATE STREET

SUMMARY OF PERFORMANCE

	MILLIONS	% Total	1 MO	3 MO	YTD	FYTD	1 YR	3 YRS	5 YRS	10 YRS	INCEP	Inc Date
TOTAL GLOBAL EQUITY EX OVERLAY	6,822.97	17.0	-2.18	1.04	7.92	20.17	20.17	14.22	3.24		5.20	10-01-05
13 MSRA CUSTOM GLOBAL INDEX			-2.92	-0.42	6.05	16.57	16.57	12.36	2.54		4.56	
EXCESS			0.74	1.46	1.87	3.60	3.60	1.86	0.70		0.64	
RECORD CURRENCY - GLOBAL	16.09	0.0										05-01-09
GLOBAL EQUITY TRANSITION ACCOUNT	975.87	2.4										06-01-11
TOTAL GLOBAL EQUITY	6,839.07	17.0	-2.29	1.12	8.36	20.57	20.57	13.57	3.32		5.25	10-01-05
13 MSRA CUSTOM GLOBAL INDEX			-2.92	-0.42	6.05	16.57	16.57	12.36	2.54		4.56	
EXCESS			0.63	1.54	2.31	4.00	4.00	1.21	0.78		0.69	
2 GLOBAL EQUITY DYNAMIC BENCHMARK			-2.77	-0.35	6.09	16.34	16.34	12.36	2.31			

State Retirement Agency of Maryland

RATES OF RETURN - Net Manager Fees

PERIODS ENDING - June 30, 2013



STATE STREET

SUMMARY OF PERFORMANCE

	MILLIONS	% Total	1 MO	3 MO	YTD	FYTD	1 YR	3 YRS	5 YRS	10 YRS	INCEP	Inc Date
PUBLIC EQUITY												
TOTAL PUBLIC EQUITY	17,028.85	42.3	-2.75	0.37	7.67	19.11	19.11	12.66	3.44	7.04		04-01-94
14 PUBLIC EQ BM 2			-2.97	-0.55	5.90	16.74	16.74	12.77	3.31			
EXCESS			0.22	0.92	1.77	2.37	2.37	-0.11	0.13			
2 PUBLIC EQ BM			-2.95	-0.62	5.76	16.61	16.61	12.97	3.10			

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 RATES OF RETURN - Net Manager Fees
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STATE STREET

SUMMARY OF PERFORMANCE

	MILLIONS	% Total	1 MO	3 MO	YTD	FYTD	1 YR	3 YRS	5 YRS	10 YRS	INCEP	Inc Date
FIXED INCOME												
SSGA PASSIVE FIXED INCOME	515.93	1.3	-1.67	-2.62	-2.71	-0.87	-0.87	3.53	5.20	4.54	4.64	05-01-03
15 Custom BC Agg Intermediate / BC Agg			-1.55	-2.32	-2.44	-0.69	-0.69	3.51	5.19			
EXCESS			-0.12	-0.30	-0.27	-0.18	-0.18	0.02	0.01			
PIMCO	736.91	1.8	-2.17	-3.13	-2.46	0.25	0.25	4.14	5.46	5.06		06-01-84
16 PIMCO CUSTOM INDEX			-1.55	-2.32	-2.44	-0.69	-0.69	3.51	4.97	4.51	8.09	
EXCESS			-0.62	-0.81	-0.02	0.94	0.94	0.63	0.49	0.55		
Barclays Aggregate Bond			-1.55	-2.32	-2.44	-0.69	-0.69	3.51	5.19	4.52		
WESTERN ASSET MANAGEMENT	732.41	1.8	-1.88	-2.67	-2.23	1.39	1.39	5.77	8.69		6.87	09-01-03
17 Custom BC Agg Int/BC Agg/US Universal BM			-1.55	-2.32	-2.44	-0.69	-0.69	3.51	4.97		4.91	
EXCESS			-0.33	-0.35	0.21	2.08	2.08	2.26	3.72		1.96	
Barclays US Intermediate Aggregate Index			-1.12	-1.78	-1.63	-0.12	-0.12	3.03	4.76		4.59	
PYRAMIS GLOBAL ADVISORS	571.25	1.4	-1.59	-2.40	-2.46	-0.13	-0.13	4.24	6.25		5.76	02-01-08
17 Custom BC Agg Int/BC Agg/US Universal BM			-1.55	-2.32	-2.44	-0.69	-0.69	3.51	4.97		4.46	
EXCESS			-0.04	-0.08	-0.02	0.56	0.56	0.73	1.28		1.30	
Barclays US Intermediate Aggregate Index			-1.12	-1.78	-1.63	-0.12	-0.12	3.03	4.76		4.32	
ABERDEEN ASSET MGMT, INC	574.88	1.4	-1.86	-2.24	-2.08	0.81	0.81	5.09	5.59		5.30	04-01-08
17 Custom BC Agg Int/BC Agg/US Universal BM			-1.55	-2.32	-2.44	-0.69	-0.69	3.51	4.97		4.56	
EXCESS			-0.31	0.08	0.36	1.50	1.50	1.58	0.62		0.74	
Barclays US Intermediate Aggregate Index			-1.12	-1.78	-1.63	-0.12	-0.12	3.03	4.76		4.34	

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 RATES OF RETURN - Net Manager Fees
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STATE STREET

SUMMARY OF PERFORMANCE

	MILLIONS	% Total	1 MO	3 MO	YTD	FYTD	1 YR	3 YRS	5 YRS	10 YRS	INCEP	Inc Date
GOLDMAN SACHS FI CORE PLUS	394.73	1.0	-1.65	-2.26	-2.34	0.83	0.83	4.54			6.87	03-01-09
17 Custom BC Agg Int/BC Agg/US Universal BM			-1.55	-2.32	-2.44	-0.69	-0.69	3.51			5.65	
EXCESS			-0.10	0.06	0.10	1.52	1.52	1.03			1.22	
Barclays US Intermediate Aggregate Index			-1.12	-1.78	-1.63	-0.12	-0.12	3.03			4.80	
DODGE & COX - FI CORE	399.38	1.0	-1.63	-1.72	-1.18	2.22	2.22	4.94			7.24	03-01-09
15 Custom BC Agg Intermediate / BC Agg			-1.55	-2.32	-2.44	-0.69	-0.69	3.51			5.34	
EXCESS			-0.08	0.60	1.26	2.91	2.91	1.43			1.90	
PRINCIPAL CORE BOND	563.94	1.4	-1.76	-2.41	-2.47	0.24	0.24	4.27			6.08	07-01-09
15 Custom BC Agg Intermediate / BC Agg			-1.55	-2.32	-2.44	-0.69	-0.69	3.51			4.97	
EXCESS			-0.21	-0.09	-0.03	0.93	0.93	0.76			1.11	
TOTAL US ACTIVE FIXED INCOME	3,973.50	9.9	-1.82	-2.48	-2.22	0.74	0.74	4.72	6.11		6.11	07-01-08
15 Custom BC Agg Intermediate / BC Agg			-1.55	-2.32	-2.44	-0.69	-0.69	3.51	5.19		5.19	
EXCESS			-0.27	-0.16	0.22	1.43	1.43	1.21	0.92		0.92	
18 TOTAL TERRA MARIA US FIXED INCOME	488.63	1.2	-1.82	-2.51	-2.35	0.37	0.37	4.26			8.42	11-01-08
19 TERRA MARIA FI BENCHMARK			-1.55	-2.32	-2.44	-0.69	-0.69	3.50			9.67	
EXCESS			-0.27	-0.19	0.09	1.06	1.06	0.76			-1.25	
TOTAL US FIXED INCOME ACTIVE + TM	4,462.14	11.1	-1.82	-2.49	-2.24	0.70	0.70	4.68	6.08		6.08	07-01-08
15 Custom BC Agg Intermediate / BC Agg			-1.55	-2.32	-2.44	-0.69	-0.69	3.51	5.19		5.19	
EXCESS			-0.27	-0.17	0.20	1.39	1.39	1.17	0.89		0.89	

State Retirement Agency of Maryland
 RATES OF RETURN - Net Manager Fees
 PERIODS ENDING - June 30, 2013



STATE STREET

SUMMARY OF PERFORMANCE

	MILLIONS	% Total	1 MO	3 MO	YTD	FYTD	1 YR	3 YRS	5 YRS	10 YRS	INCEP	Inc Date
TOTAL US FIXED INCOME	4,978.07	12.4	-1.31	-2.52	-2.33	0.39	0.39	4.45	6.31	6.31	6.31	07-01-08
15 Custom BC Agg Intermediate / BC Agg			-1.55	-2.32	-2.44	-0.69	-0.69	3.51	5.19	5.19	5.19	
EXCESS			-0.26	-0.20	0.11	1.08	1.08	0.94	1.12	1.12	1.12	
WESTERN ASSET GLOBAL AGGREGATE B	759.88	1.9	-1.99	-1.89	-1.29	3.83	3.83	5.34	6.70	6.70	6.70	09-01-09
20 CUSTOM GLOBAL FIXED INCOME BM			-1.39	-1.73	-1.17	1.71	1.71	3.47	2.96	2.96	2.96	
EXCESS			-0.60	-0.16	-0.12	2.12	2.12	1.87	3.74	3.74	3.74	
PIMCO GLOBAL AGGREGATE BONDS	752.05	1.9	-2.19	-3.22	-1.97	3.73	3.73	5.80	6.56	6.56	6.56	09-01-09
20 CUSTOM GLOBAL FIXED INCOME BM			-1.39	-1.73	-1.17	1.71	1.71	3.47	2.96	2.96	2.96	
EXCESS			-0.80	-1.49	-0.80	2.02	2.02	2.33	3.60	3.60	3.60	
WESTERN ASSET - ISRAEL BD	20.60	0.1	0.11	0.25	0.51	1.03	1.03	1.92	2.88	2.88	2.88	06-01-05
WESTERN ASSET ISRAEL BOND INDEX			0.09	0.80	1.45	3.66	3.66	2.67	0.82	0.82	0.82	
EXCESS			0.02	-0.55	-0.94	-2.63	-2.63	-0.75	2.06	2.06	2.06	
TOTAL GLOBAL FIXED INCOME	1,532.53	3.8	-2.06	-2.52	-1.61	3.72	3.72	5.49	5.93	5.93	5.93	07-01-08
20 CUSTOM GLOBAL FIXED INCOME BM			-1.39	-1.73	-1.17	1.71	1.71	3.47	2.96	2.96	2.96	
EXCESS			-0.67	-0.79	-0.44	2.01	2.01	2.02	3.32	3.32	3.32	
TOTAL FIXED INCOME	6,510.60	16.2	-1.87	-2.52	-2.19	1.07	1.07	4.67	6.39	6.39	6.39	07-01-86
21 Custom Fixed Income Benchmark			-1.52	-2.21	-2.19	-0.21	-0.21	3.50	4.97	4.97	4.97	
EXCESS			-0.35	-0.31	0.00	1.28	1.28	1.17	1.42	1.42	1.42	
2 FIXED INCOME DYNAMIC BENCHMARK			-1.51	-2.18	-2.15	-0.17	-0.17	3.52	5.33	5.33	5.33	

State Retirement Agency of Maryland

RATES OF RETURN - Net Manager Fees

PERIODS ENDING - June 30, 2013



STATE STREET

SUMMARY OF PERFORMANCE

	MILLIONS	% Total	1 MO	3 MO	YTD	FYTD	1 YR	3 YRS	5 YRS	10 YRS	INCEP	Inc Date
CREDIT/DEBT												
OAKTREE CAPITAL MANAGEMENT	373.64	0.9	-2.86	-1.80	0.79	8.31	8.31	9.35			15.51	03-01-09
Barclays US High Yield - 2% Issuer Cap			-2.62	-1.44	1.42	9.49	9.49	10.69			19.54	
EXCESS			-0.24	-0.36	-0.63	-1.18	-1.18	-1.34			-4.03	
KKR FLEXIBLE CREDIT	544.44	1.4	-0.92	0.16	2.98	8.92	8.92				8.03	09-01-10
22 Custom KKR Index			-1.61	-0.58	1.91	8.45	8.45				8.07	
EXCESS			0.69	0.74	1.07	0.47	0.47				-0.04	
NEUBERGER BERMAN FLEX CREDIT	398.32	1.0	-2.56	-1.56	0.48	10.65	10.65				7.94	10-01-10
50% BC CREDIT & 50% BC HIGH YIELD			-2.74	-2.44	-1.12	5.10	5.10				6.73	
EXCESS			0.18	0.88	1.60	5.55	5.55				1.21	
REXITAR EMERGING MARKET DEBT	212.89	0.5	-4.53	-7.35	-7.98	-0.24	-0.24				2.03	10-01-10
JP Morgan GBI EM Global Diversified			-4.13	-7.04	-7.15	1.32	1.32				2.17	
EXCESS			-0.40	-0.31	-0.83	-1.56	-1.56				-0.14	
PERELLA WEINBERG	263.42	0.7	0.85	3.34	6.64	13.57	13.57	11.73			11.73	07-01-10
HFRI ED: Distressed/Restructuring Index			-1.24	2.56	7.04	14.94	14.94	7.57			7.57	
EXCESS			2.09	0.78	-0.40	-1.37	-1.37	4.16			4.16	
ANCHORAGE CAPITAL GROUP	187.82	0.5	-0.45	6.08	10.81	20.04	20.04				14.49	11-01-11
HFRI ED: Distressed/Restructuring Index			-1.24	2.56	7.04	14.94	14.94				10.39	
EXCESS			0.79	3.52	3.77	5.10	5.10				4.10	

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Returns for periods prior to 7/1/2008 are Gross of Fees

State Retirement Agency of Maryland
 RATES OF RETURN - Net Manager Fees
 PERIODS ENDING - June 30, 2013



STATE STREET

SUMMARY OF PERFORMANCE

	MILLIONS	% Total	1 MO	3 MO	YTD	FYTD	1 YR	3 YRS	5 YRS	10 YRS	INCEP	Inc Date
KING STREET CAPITAL	174.56	0.4	-0.98	2.76	6.74	12.63	12.63	10.38			10.08	12-01-11
HFR/ED: Distressed/Restructuring Index			-1.24	2.56	7.04	14.94	14.94	11.45				
EXCESS			0.26	0.20	-0.30	-2.31	-2.31	-1.37				
BRIGADE LEVERAGED CAP STR FD	133.13	0.3	-1.39	-0.35	1.77	4.96	4.96	4.84			4.84	03-01-12
HFR/ED: Distressed/Restructuring Index			-1.24	2.56	7.04	14.94	14.94	9.88				
EXCESS			-0.15	-2.91	-5.27	-9.98	-9.98	-5.04				
TOTAL CREDIT HEDGE FUND	758.93	1.9	-0.29	3.20	6.76	13.23	13.23	10.38			10.38	07-01-10
HFR/ED: Distressed/Restructuring Index			-1.24	2.56	7.04	14.94	14.94	7.57			7.57	
EXCESS			0.95	0.64	-0.28	-1.71	-1.71	2.81			2.81	
23 TOTAL DISTRESSED DEBT	539.58	1.3	1.04	3.90	10.08	19.10	19.10	6.51			8.30	01-01-10
23 TOTAL MEZZANINE DEBT	365.18	0.9	0.61	3.37	4.59	10.97	10.97	10.80			7.68	01-01-10
TOTAL PUBLIC-PRIVATE INVESTMENT PRO	4.33	0.0	4.15	7.69	3.53	39.87	39.87	20.40			18.65	12-01-09
18 TOTAL TERRA MARIA CREDIT/DEBT	183.19	0.5	-2.14	0.15	4.07	11.02	11.02	9.63			8.98	01-01-10
TERRA MARIA CREDIT/DEBT BENCHMARK			-2.19	-0.71	2.25	8.87	8.87	9.55			9.25	
EXCESS			0.05	0.86	1.82	2.15	2.15	0.08			-0.27	
TOTAL CREDIT/DEBT STRATEGIES	3,380.51	8.4	-1.02	0.84	4.15	13.42	13.42	9.88			14.43	03-01-09
24 MSRA CUSTOM CREDIT/DEBT BM			-2.74	-2.44	-1.12	5.10	5.10	8.12			12.69	
EXCESS			1.72	3.28	5.27	-8.32	8.32	1.76			1.74	

State Retirement Agency of Maryland

RATES OF RETURN - Net Manager Fees

PERIODS ENDING - June 30, 2013



STATE STREET

SUMMARY OF PERFORMANCE

	MILLIONS	% Total	1 MO	3 MO	YTD	FYTD	1 YR	3 YRS	5 YRS	10 YRS	INCEP	Inc Date
REAL RETURN												
SSGA PASSIVE US TIPS	1,504.22	3.7	-3.78	-7.56	-8.07	-5.60	-5.60	4.22	4.97		-8.71	12-01-12
Barclays US TIPS Index			-3.77	-7.39	-7.84	-5.31	-5.31	4.44	4.29		-8.51	
EXCESS			-0.01	-0.17	-0.23	-0.29	-0.29	-0.22	0.68		-0.20	
TOTAL U.S. TIPS	1,504.22	3.7	-3.78	-7.56	-8.10	-5.60	-5.60	4.22	4.97		5.52	02-01-06
25 CUSTOM US TIPS MD BM			-3.77	-7.39	-7.84	-5.31	-5.31	4.44	4.29		5.15	
EXCESS			-0.01	-0.17	-0.26	-0.29	-0.29	-0.22	0.68		0.37	
PIMCO GLOBAL-LINKED	927.43	2.3	-4.75	-7.91	-5.55	-2.29	-2.29	4.98			6.11	09-01-09
BC World Inflat-Linked Bond Index-Hedged			-3.93	-6.33	-4.64	-1.99	-1.99	4.49			5.13	
EXCESS			-0.82	-1.58	-0.91	-0.30	-0.30	0.49			0.98	
WESTERN ASSET GLOBAL-LINKED	537.52	1.3	-4.34	-6.75	-5.24	-2.37	-2.37	3.35			3.77	10-01-09
BC World Inflat-Linked Bond Index-Hedged			-3.93	-6.33	-4.64	-1.99	-1.99	4.49			4.88	
EXCESS			-0.41	-0.42	-0.60	-0.38	-0.38	-1.14			-1.11	
NEW CENTURY ADVISORS (NT)	32.81	0.1	-4.54	-7.24	-5.76	-4.58	-4.58	4.33			6.74	12-01-08
BC World Inflat-Linked Bond Index-Hedged			-3.93	-6.33	-4.64	-1.99	-1.99	4.49			6.88	
EXCESS			-0.61	-0.91	-1.12	-2.59	-2.59	-0.16			-0.14	
TOTAL GILB	1,497.76	3.7	-4.60	-7.56	-5.46	-2.46	-2.46	4.31			6.62	12-01-08
BC World Inflat-Linked Bond Index-Hedged			-3.93	-6.33	-4.64	-1.99	-1.99	4.49			6.88	
EXCESS			-0.67	-1.23	-0.82	-0.47	-0.47	-0.18			-0.26	

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Returns for periods prior to 7/1/2008 are Gross of Fees

State Retirement Agency of Maryland
 RATES OF RETURN - Net Manager Fees
 PERIODS ENDING - June 30, 2013



STATE STREET

SUMMARY OF PERFORMANCE

	MILLIONS	% Total	1 MO	3 MO	YTD	FYTD	1 YR	3 YRS	5 YRS	10 YRS	INCEP	Inc Date
TOTAL TIPS/GILBS	3,001.98	7.5	-4.19	-7.56	-6.75	-3.94	-3.94	4.45	4.99	4.99	4.99	07-01-08
26 TIPS/GILBS Index			-3.85	-6.86	-6.25	-3.56	-3.56	4.68	4.49	4.49	4.49	
EXCESS			-0.34	-0.70	-0.50	-0.38	-0.38	-0.23	0.50	0.50	0.50	
BLACKROCK DJ-JBS COMMODITY INDEX	86.99	0.2										10-01-11
GRESHAM INVESTMENT MGMT, LLC	292.56	0.7	-5.04	-8.40	-10.56	-7.37	-7.37	2.21	2.26	2.26	2.26	09-01-09
Dow Jones-UBS Commodity Index TR			-4.71	-9.45	-10.47	-8.01	-8.01	-0.26	-0.17	-0.17	-0.17	
EXCESS			-0.33	1.05	-0.09	0.64	0.64	2.47	2.43	2.43	2.43	
VERMILLION/CELADON COMMODITIES	173.88	0.4	-3.49	-11.64	-12.50	-15.10	-15.10	-2.12	-3.80	-3.80	-3.80	04-01-10
Dow Jones-UBS Commodity Index TR			-4.71	-9.45	-10.47	-8.01	-8.01	-0.26	-1.74	-1.74	-1.74	
EXCESS			1.22	-2.19	-2.03	-7.09	-7.09	-1.86	-2.06	-2.06	-2.06	
ASTENBECK COMMODITIES FUND III	116.43	0.3	-5.54	-7.96	-4.48							09-01-12
Dow Jones-UBS Commodity Index TR			-4.71	-9.45	-10.47				-14.71	-14.71	-14.71	
EXCESS			-0.83	1.49	5.99				11.80	11.80	11.80	
SCHRODER COMMODITY FUND	102.66	0.3	-3.30	-8.20	-10.37	-7.29	-7.29	1.44	0.70	0.70	0.70	10-01-09
27 MD/Schroder Custom Benchmark			-2.24	-7.42	-7.40	-2.29	-2.29	3.01	2.05	2.05	2.05	
EXCESS			-1.06	-0.78	-2.97	-5.00	-5.00	-1.57	-1.35	-1.35	-1.35	
Dow Jones-UBS Commodity Index TR			-4.71	-9.45	-10.47	-8.01	-8.01	-0.26	-0.59	-0.59	-0.59	

State Retirement Agency of Maryland
 RATES OF RETURN - Net Manager Fees
 PERIODS ENDING - June 30, 2013



STATE STREET

SUMMARY OF PERFORMANCE

	MILLIONS	% Total	1 MO	3 MO	YTD	FYTD	1 YR	3 YRS	5 YRS	10 YRS	INCEP	Inc Date
ARBALET COMMODITY STRATEGIES FUND	39.23	0.1	-3.96	-4.41	-6.67	-8.40	-8.40				-10.06	06-01-12
HFRX Macro: Commodity-Index			1.17	0.41	1.39	1.89	1.89				4.36	
EXCESS			-5.13	-4.82	-8.06	-10.29	-10.29				-14.42	
BLACKRIVER COMMODITY TRADING FUND	103.87	0.3	2.66	2.15	0.18	7.58	7.58				1.73	11-01-10
HFRX Macro: Commodity-Index			1.17	0.41	1.39	1.89	1.89				-0.88	
EXCESS			1.49	1.74	-1.21	5.69	5.69				2.61	
KOPPENBERG MACRO COMMODITY FUND	39.73	0.1	1.10	5.46	7.18						4.55	10-01-12
HFRX Macro: Commodity-Index			1.17	0.41	1.39						-1.20	
EXCESS			-0.07	5.05	5.79						5.75	
TAYLOR WOODS PARTNERS L.P.	52.87	0.1	5.73								5.73	06-01-13
HFRX Macro: Commodity-Index			1.17								1.17	
EXCESS			4.56								4.56	
CCM-DIVERSIFIED I	200.00	0.5										06-01-13
LD COMMODITIES DYNAMIC AGRICULTUR	30.96	0.1	-3.50	-8.69	-11.54						-11.54	01-01-13
DJ UBS Agriculture Total Return			-4.16	-4.48	-7.50						-7.50	
EXCESS			0.66	-4.21	-4.04						-4.04	

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 Returns for periods prior to 7/1/2008 are Gross of Fees

State Retirement Agency of Maryland

RATES OF RETURN - Net Manager Fees

PERIODS ENDING - June 30, 2013



STATE STREET

SUMMARY OF PERFORMANCE

	MILLIONS	% Total	1 MO	3 MO	YTD	FYTD	1 YR	3 YRS	5 YRS	10 YRS	INCEP	Inc Date
TOTAL COMMODITIES	1,239.17	3.1	-2.86	-6.92	-8.03	-5.67	-5.67	0.84			0.74	09-01-09
Dow Jones-UBS Commodity Index TR			-4.71	-9.45	-10.47	-8.01	-8.01	-0.26			-0.17	
EXCESS			1.85	2.53	2.44	2.34	2.34	1.10			0.91	
TORTOISE CAPITAL DOMESTIC EQ	127.30	0.3	3.77	3.76	25.33	35.77	35.77	23.84			26.60	08-01-09
S&P MLP Total Return Index			3.37	2.56	23.03	29.50	29.50	21.45			24.46	
EXCESS			0.40	1.20	2.30	6.27	6.27	2.39			2.14	
HARVEST FUND ADVISORS	122.93	0.3	3.13	3.35	25.89	37.04	37.04	30.22			30.67	11-01-09
S&P MLP Total Return Index			3.37	2.56	23.03	29.50	29.50	21.45			25.01	
EXCESS			-0.24	0.79	2.86	7.54	7.54	8.77			5.66	
28 TOTAL ENERGY FUNDS	352.47	0.9	0.00	5.12	10.04	6.99	6.99	15.29			13.17	01-01-10
TOTAL INFRASTRUCTURE	31.65	0.1	0.00	0.46	-1.18	0.19	0.19	2.73			2.03	10-01-09
TIMBER LP FUNDS	192.57	0.5	0.00	3.04	4.48	7.58	7.58	14.20			13.40	05-01-10
TOTAL PRIVATE REAL RETURN	826.92	2.1	1.02	3.96	12.49	14.58	14.58	18.54			19.56	08-01-09
CPI + 5%: 8%/Max			0.65	1.54	4.20	6.83	6.83	7.19			7.01	
EXCESS			0.37	2.42	8.29	7.75	7.75	11.35			12.55	
TOTAL REAL RETURN	5,068.07	12.6	-2.92	-5.50	-3.97	-1.45	-1.45	5.24	4.70		5.40	02-01-06
29 CUSTOM REAL RETURN BENCHMARK			-3.66	-6.81	-6.49	-3.82	-3.82	3.20	2.26		3.81	
EXCESS			0.74	1.31	2.52	2.37	2.37	2.04	2.44		1.59	

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Returns for periods prior to 7/1/2008 are Gross of Fees

State Retirement Agency of Maryland

RATES OF RETURN - Net Manager Fees

PERIODS ENDING - June 30, 2013



STATE STREET.

SUMMARY OF PERFORMANCE

	MILLIONS	% Total	1 MO	3 MO	YTD	FYTD	1 YR	3 YRS	5 YRS	10 YRS	INCEP	Inc Date
PRIVATE EQUITY												
³⁰ TOTAL PRIVATE EQUITY	2,504.90	6.2	1.46	3.81	6.09	11.72	11.72	14.33	5.81	12.25	6.08	03-01-94
³¹ Custom MD/SS PEI Index			1.04	3.38	6.95	8.88	8.88	12.52	4.00	12.65		
EXCESS			0.42	0.43	-0.86	2.84	2.84	1.81	1.81	-0.40		
STATE STREET PE 1 QTR LAG			3.38	3.38	6.95	8.88	8.88	12.52	4.00	12.65		
RUSSELL 3000 + 300BPS			-1.05	3.44	15.72	25.05	25.05	22.14	10.45			
State St. PEI - Domestic qtr lag			4.36	4.36	7.81	10.64	10.64	13.54	5.36	12.08		
State St. PEI - Non U.S. qtr lag			0.84	0.84	4.71	4.13	4.13	9.81	-0.70	15.10		
State St. PEI - Buyout qtr lag			3.41	3.41	7.87	9.55	9.55	13.01	4.09	14.53		
State St. PEI - Venture Cap qtr lag			2.30	2.30	2.35	3.09	3.09	11.28	0.59	5.62		
SS PEI Mezz-Dist-Spec Sit qtr lag			4.31	4.31	6.71	11.41	11.41	11.42	8.25	13.08		

State Retirement Agency of Maryland

RATES OF RETURN - Net Manager Fees

PERIODS ENDING - June 30, 2013



STATE STREET

SUMMARY OF PERFORMANCE

	MILLIONS	% Total	1 MO	3 MO	YTD	FYTD	1 YR	3 YRS	5 YRS	10 YRS	INCEP	Inc Date
ABSOLUTE RETURN												
BGI GLOBAL ASCENT	402.30	1.0	-1.51	-1.71	0.37	1.83	1.83	0.25	0.64	1.73	04-01-08	
32 Custom Absolute Return Benchmark			-1.30	0.12	3.44	7.35	7.35	3.02	-0.60	-0.27		
EXCESS			-0.21	-1.83	-3.07	-5.52	-5.52	-2.77	1.24	2.00		
BRIDGEWATER PURE ALPHA												
478.01	1.2	-2.78	-0.63	-1.59	1.59	1.59	1.59	6.44	4.97	5.84	05-01-08	
32 Custom Absolute Return Benchmark			-1.30	0.12	3.44	7.35	7.35	3.02	-0.60	-0.38		
EXCESS			-1.48	-0.75	-5.03	-5.76	-5.76	3.42	5.57	6.22		
MELLON GLOBAL ALPHA II												
195.65	0.5	-0.68	0.37	0.74	1.28	1.28	1.28	1.68	0.43	0.43	07-01-08	
32 Custom Absolute Return Benchmark			-1.30	0.12	3.44	7.35	7.35	3.02	-0.60	-0.60		
EXCESS			0.62	0.25	-2.70	-6.07	-6.07	-1.34	1.03	1.03		
ROCK CREEK POTOMAC FUND LTD												
461.61	1.1	-1.11	0.99	0.37	6.37	12.26	12.26	6.19	4.94	4.94	02-01-10	
HFRI Fund of Funds Composite Index			-1.30	0.12	3.44	7.35	7.35	3.02	2.40	2.40		
EXCESS			0.19	0.87	2.93	4.91	4.91	3.17	2.54	2.54		
DGAM DIVERSIFIED STRATEGIES FUND												
325.60	0.8	-0.72	-0.93	2.18	6.30	6.30	6.30	3.95	3.95	3.95	01-01-11	
HFRI Fund of Funds Composite Index			-1.30	0.12	3.44	7.35	7.35	3.02	0.87	0.87		
EXCESS			0.58	-1.05	-1.26	-1.05	-1.05	3.08	3.08	3.08		
33 PIMCO REAL RETURN ALL ASSET												
325.42	0.8	-3.81	-4.19	-3.35	5.76	5.76	5.76	7.35	5.97	5.27	03-01-08	
34 Custom PIMCO All Asset Index			0.65	1.54	4.20	6.83	6.83	10.21	5.60	5.33		
EXCESS			-4.46	-5.73	-7.55	-1.07	-1.07	-2.86	0.37	-0.06		

State Retirement Agency of Maryland

RATES OF RETURN - Net Manager Fees

PERIODS ENDING - June 30, 2013



STATE STREET

SUMMARY OF PERFORMANCE

	MILLIONS	% Total	1 MO	3 MO	YTD	FYTD	1 YR	3 YRS	5 YRS	10 YRS	INCEP	Inc Date
33 BRIDGEWATER ALL WEATHER	736.39	1.8	-6.16	-8.47	-7.85	-1.53	-1.53	10.74			12.38	07-01-09
35 Custom Bridgewater Benchmark			0.53	1.60	3.23	6.58	6.58	8.63			8.83	
EXCESS			-6.69	-10.07	-11.08	-8.11	-8.11	2.11			3.55	
TOTAL ABSOLUTE RETURN	2,924.99	7.3	-3.02	-3.02	-1.55	3.42	3.42	5.19	3.21		4.10	04-01-08
32 Custom Absolute Return Benchmark			-1.30	0.12	3.44	7.35	7.35	3.02	-0.60		-0.27	
EXCESS			-1.72	-3.14	-4.99	-3.93	-3.93	2.17	3.81		4.37	

State Retirement Agency of Maryland
 RATES OF RETURN - Net Manager Fees
 PERIODS ENDING - June 30, 2013



STATE STREET

SUMMARY OF PERFORMANCE

	MILLIONS	% Total	1 MO	3 MO	YTD	FYTD	1 YR	3 YRS	5 YRS	10 YRS	INCEP	Inc Date
REAL ESTATE												
LASALLE ADVISORS REIT	291.97	0.7	-1.29	0.12	4.51	5.95	5.95	17.66	5.52	10.95		04-01-93
36 LASALLE REIT BENCHMARK			-1.70	-1.41	5.89	8.38	8.38	18.30	7.03	10.88	10.09	
EXCESS			0.41	1.53	-1.38	-2.43	-2.43	-0.64	-1.51	0.07		
MORGAN STANLEY INVESTMENT MGMT												
37 MSIM Cus.FTSE EPRA NAREIT Dev ex US (Ne	363.92	0.9	-3.40	-4.25	-0.91	20.46	20.46	13.18	3.66		0.92	11-01-06
EXCESS			-3.40	-5.76	-1.20	18.40	18.40	13.82	2.48		0.20	
FTSE EPRA NAREIT Developed x US TR			0.00	1.51	0.29	2.06	2.06	-0.64	1.18		0.72	
FTSE EPRA NAREIT Developed x US (Net)			-3.37	-5.57	-0.95	18.81	18.81	14.23	2.86		0.54	
EXCESS			-3.40	-5.75	-1.19	18.41	18.41	13.82	2.48		0.20	
RECORD CURRENCY MANAGEMENT-REITS												
	7.36	0.0										04-01-11
TOTAL REITS												
38 CUSTOM MD REIT BM	663.25	1.6	-2.45	-1.50	2.87	15.00	15.00	15.83	4.85	10.48		04-01-94
EXCESS			-2.65	-3.87	1.84	13.28	13.28	15.86	4.51	9.64	9.90	
			0.20	2.37	1.03	1.72	1.72	-0.03	0.34	0.84		
TOTAL PRIVATE REAL ESTATE												
39 CUSTOM MD PRIVATE REAL ESTATE BM	1,659.00	4.1	2.52	3.13	5.61	10.63	10.63	13.53	-0.83	7.53	8.67	03-01-94
EXCESS			1.96	2.57	5.17	10.52	10.52	13.30	2.32	8.51	9.22	
NCREIF PROPERTY INDEX QTR LAG			0.56	0.56	0.44	0.11	0.11	0.23	-3.15	-0.98	-0.55	
			2.57	2.57	5.17	10.52	10.52	13.30	2.32	8.51		

State Retirement Agency of Maryland
 RATES OF RETURN - Net Manager Fees
 PERIODS ENDING - June 30, 2013



STATE STREET

SUMMARY OF PERFORMANCE

	MILLIONS	% Total	1 MO	3 MO	YTD	FYTD	1 YR	3 YRS	5 YRS	10 YRS	INCEP	Inc Date
TOTAL REAL ESTATE	2,322.25	5.8	1.06	1.97	5.06	12.55	12.55	14.70	1.36	9.01	6.17	07-01-87
40 REAL ESTATE CUSTOM INDEX			0.61	0.84	4.48	12.01	12.01	14.78	3.46	9.31	7.82	
EXCESS			0.45	1.13	0.58	0.54	0.54	-0.08	-2.11	-0.30	-1.65	
NCREIF PROPERTY INDEX QTR LAG			2.57	2.57	5.17	10.52	10.52	13.30	2.32	8.51		
39 CUSTOM MD PRIVATE REAL ESTATE BM			1.96	2.57	5.17	10.52	10.52	13.30	2.32	8.51		
WILSHIRE RESI			-1.70	-1.41	5.89	8.38	8.38	18.30	7.03	10.88		
37 MSIM Cus FTSE EPRA NAREIT Dev ex US(Ne			-3.40	-5.76	-1.20	18.40	18.40	13.82	2.48			

State Retirement Agency of Maryland
 RATES OF RETURN - Net Manager Fees
 PERIODS ENDING - June 30, 2013



STATE STREET

SUMMARY OF PERFORMANCE

	MILLIONS	% Total	1 MO	3 MO	YTD	FYTD	1 YR	3 YRS	5 YRS	10 YRS	INCEP	Inc Date
CASH												
MARYLAND CASH ACCOUNT	507.90	1.3	0.31	0.44	0.64	1.48	1.48	3.39	3.48	1.63		09-01-94
CITIGROUP 3 MONTH T-BILL			0.00	0.02	0.03	0.08	0.08	0.09	0.23	2.99		
EXCESS			0.31	0.42	0.61	1.40	1.40	3.30	3.25			
SELF LIQUIDATING ACCOUNT	2.66	0.0	0.18	8.39	10.16	11.20	11.20	14.99	10.15	17.72		06-01-84
CITIGROUP 3 MONTH T-BILL			0.00	0.02	0.03	0.08	0.08	0.09	0.23	4.10		
EXCESS			0.18	8.37	10.13	11.12	11.12	14.90	9.92	16.09		
TOTAL CASH AGGREGATE	510.56	1.3	0.31	0.43	0.63	1.47	1.47	3.40	3.21	3.21		07-01-08
CITIGROUP 3 MONTH T-BILL			0.00	0.02	0.03	0.08	0.08	0.09	0.23	0.23		
EXCESS			0.31	0.41	0.60	1.39	1.39	3.31	2.98	2.98		

State Retirement Agency of Maryland

RATES OF RETURN - Net Manager Fees

PERIODS ENDING - June 30, 2013



STATE STREET.

SUMMARY OF PERFORMANCE

	MILLIONS	% Total	1 MO	3 MO	YTD	FYTD	1 YR	3 YRS	5 YRS	10 YRS	INCEP	Inc Date
TOTAL PLAN	40,250.73	100.0	-1.92	-0.66	3.21	10.57	10.57	10.03	3.97	6.62	8.24	07-01-86
41 TOTAL PLAN POLICY INDEX			-2.15	-1.34	2.12	8.54	8.54	9.36	3.39	6.37		
EXCESS			0.23	0.68	1.09	2.03	2.03	0.67	0.58	0.25		
42 TOTAL PLAN CUSTOM STATIC INDEX			-1.97	-1.27	2.14	8.36	8.36	9.24	4.30			

State Retirement Agency of Maryland
RATES OF RETURN - Net Manager Fees
PERIODS ENDING - June 30, 2013



STATE STREET

SUMMARY OF PERFORMANCE

Endnotes

- 1 Since 07/01/2012: 100% Russell 3000 Growth
From 10/1/2010 to 06/30/2012: 100% Russell 3000
Prior to 10/1/2010: 100% Russell 2500 Growth
- 2 Benchmark is dynamically calculated using Beginning Market Value weights of the underlying portfolios and their benchmarks
- 3 Since 11/1/2008: Benchmark is dynamically calculated using Average Balance (BMV+ Weighted Net Cash Flows) weights of the underlying portfolios and their corresponding indices. From 9/1/2008 - 10/31/2008: Benchmark was dynamically calculated based on the beginning weights of the underlying portfolios and their corresponding indices From 5/1/2008 - 8/31/2008: 11.1% S&P 500; 13.3% Russell 1000 Value; 33.3% Russell 1000 Growth; 16.7% Russell Mid Cap Growth; 25.6% Russell 2000 Value 11/1/2007 - 4/30/2008: 10.9% S&P 500; 13.1% Russell 1000 Value; 33.3% Russell 1000 Growth; 17.2% Russell Mid Cap Growth; 25.6 Russell 2000 Value Prior to 11/1/2007: 11% S&P 500; 13.1% Russell 1000 Value; 32% Russell 1000 Growth; 16.5% Russell Mid Cap Growth; 27.4% Russell 2000 Value
- 4 7/1/2008: The US Emerging Managers were added to the aggregate
- 5 Since 7/1/2008: 100% Russell 3000 From 1/1/2005 to 6/30/2008: 100% Dow Jones Willshire 5000 Prior to 1/1/2005: 100% Russell 3000

State Retirement Agency of Maryland
RATES OF RETURN - Net Manager Fees
PERIODS ENDING - June 30, 2013



STATE STREET

SUMMARY OF PERFORMANCE

Endnotes - continued

- 6 Since 09/01/2009: 100% MSCI EAFE + CANADA (NET)
From 01/01/2005 to 08/31/2009: 100% MSCI AC WORLD ex US (NET)
From 05/01/2003 to 12/31/2004: 100% MSCI EAFE (NET)
- 7 From 11/1/2003: 100% of MSCI AC WORLD ex US (NET)
From 7/1/2012: 100% of MSCI WORLD EX US (NET)
- 8 From 03/01/2006 - 06/30/2012: 100% MSCI EAFE SMALL CAP(G)
Since 07/01/2012: 100% MSCI WORLD EX US SMALL CAP (NET)
- 9 Since 11/1/2008: Benchmark is dynamically calculated using Average Balance (BMV+ Weighted Net Cash Flows) weights Prior to 11/1/2008: 100% MSCI EAFE (net)
- 10 Since 7/1/2010: 100% MSCI All Country World ex. U.S.
From 7/1/2009 to 6/30/2010: 100% MSCI All Country World ex. U.S. IMI Net
From 1/1/2003 to 6/30/2009: 100% MSCI All Country World ex. U.S.
Prior to 1/1/2003: 100% MSCI EAFE

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Returns for periods prior to 7/1/2008 are Gross of Fees

State Retirement Agency of Maryland
RATES OF RETURN - Net Manager Fees
PERIODS ENDING - June 30, 2013



STATE STREET

SUMMARY OF PERFORMANCE

Endnotes - continued

- 11 7/1/2008: International Equity Emerging Managers were added to the aggregate.
- 12 Since 06/01/2011 100% MSCI AC World (NET)
From 07/01/2009 to 05/31/2011: 100% MSCI ACWI IMI Net
- 13 Since 7/1/2010: 100% MSCI AC WORLD NET
From 7/1/2009 to 6/30/2010: 100% MSCI ACWI IMI NET
Prior to 7/1/2009: 100% MSCI AC WORLD NET
- 14 Benchmark is dynamically calculated using the weights of the US Equity, International Equity, and Global Equity aggregates and the corresponding asset class benchmarks
- 15 Since 07/01/2013: 100% Barclays US Intermediate Aggregate Index
Prior 07/01/2013: 100% Barclays Aggregate Bond
- 16 Since 07/01/2013: 100% Barclays US Intermediate Aggregate Index 7/1/2009 - 06/30/2013: 100% BC Aggregate From 11/1/2003 - 6/30/2009: 100% BC US Universal Prior to 11/1/2003: 100% Citigroup BIG



SUMMARY OF PERFORMANCE

Endnotes - continued

- 17 Since 07/01/2013: 100% Barclays US Intermediate Aggregate Index
From 7/1/2009 - 06/30/2013: 100% BC Aggregate Prior to 7/1/2009: 100% BC U.S. Universal Index
- 18 As of 1/1/2010 all high yield and convertible managers were moved out of the Fixed Income asset class and into the Credit/Debt asset class. Historical returns for high yield and convertible managers remain in Fixed Income composite.
- 19 Benchmark is dynamically calculated based on the Average Balance (BMV + Weighted Net Cash Flows) weights of the underlying portfolios and their corresponding indices
- 20 Since 07/01/2013: 100% BC Global Aggregate 1-10 Year Hedged Index
From 07/1/2010 to 06/30/2013: 100% BC Global Aggregate Hedged
Prior to 7/1/2010: 100% BC Global Aggregate Unhedged
- 21 Since 07/01/2013: 80% BC Aggregate Intermediate, 20% BC Global Aggregate 1-10 Year Hedged
From 7/1/2010 to 06/30/2013: 80% BC Aggregate, 20% BC Global Bond Aggregate Hedged
From 1/1/2010 to 6/30/2010: 80% BC Aggregate, 20% BC Global Bond Aggregate Unhedged
From 7/1/2009 to 12/31/2009: Benchmark is dynamically calculated using Beginning Market Value weights of the underlying portfolios and their benchmarks
Prior to 7/1/2009: Benchmark is BC US Universal.



SUMMARY OF PERFORMANCE

Endnotes - continued

- 22 50% S&P/LSTA & 50% B of A ML High Yield Master II
- 23 Prior to 2010, assets were included in Private Equity Asset Class.
- 24 Since 07/01/2013: 50% BC High Yield / 20% BC Credit / 20% JP Morgan GBI EM Global Diversified/ 10% S&P/LSTA Leveraged Loan Index From 01/01/2010 - 06/30/2013: 50% BC High Yield Prior to 1/1/2010: 75% BC Credit / 25% BC High Yield
- 25 As of 12/1/2012: 100% of Barclays US TIPS Index, B Series.
From 2/1/2006 - 11/30/2012: 100% of Barclays Global Inflation Linked:US TIPS, L Series.
- 26 Since 12/1/2012: 50% Barclays Global Inflation Linked:US TIPS; 50% Barclays World Inflat-Linked Bond Index
Prior to 11/30/2012: 65% Barclays Global Inflation Linked:US TIPS; 35% Barclays World Inflat-Linked Bond Index
- 27 25% Rogers International Commodities Index / 25% R/JCRB Total Return Series / 25% Dow Jones-JBS Commodity Total Return Index / 25% S&P GSCI Total Return Index

State Retirement Agency of Maryland

RATES OF RETURN - Net Manager Fees

PERIODS ENDING - June 30, 2013



STATE STREET

SUMMARY OF PERFORMANCE

Endnotes - continued

- 28 Prior to Jan 2010, assets were included in Private Equity Asset Class.
- 29 Since 12/1/2012: 30% - DJ UBS Commodities Index (Total Return), 10% - CPI + 5%; 8% Max , 60% - 50% BC US TIPS Index/50% BC World Inflat-Linked Bond Index
From 7/1/2011 - 11/30/2012: 30% - DJ UBS Commodities Index (Total Return), 10% - CPI + 5%; 8% Max , 60% - 65% BC US TIPS Index/35% BC Global Inflation Linked (USD Hedged) Index
From 7/1/2009 - 6/30/2011: 20% - DJ UBS Commodities Index (Total Return), 20% - CPI + 5%; 8% Max , 60% - 65% BC US TIPS Index/35% BC Global Inflation Linked (USD Hedged) Index
7/1/2008 - 6/30/2009: Benchmark is dynamically calculated using Beginning Market Value weights of the underlying portfolios and their benchmarks Prior to 7/1/2008: 100% Barclays US TIPS Index
- 30 Prior to 2010, Private Equity also includes Total Distressed Debt, Total Mezzanine Debt and Total Energy Fund.
- 31 The Private Equity benchmark is the State Street Private Equity Index (1 quarter lag). However, in non-quarter end months, the actual Private Equity return will be applied. In the third month of the quarter, the return will be calculated so that when geometrically linked with months 1 and 2, the three month return equals the published SS PEI (1 quarter lag).

State Retirement Agency of Maryland

RATES OF RETURN - Net Manager Fees

PERIODS ENDING - June 30, 2013



STATE STREET

SUMMARY OF PERFORMANCE

Endnotes - continued

- 32 As of 7/1/2008 benchmark is HFRI Fund of Funds index. Prior to 7/1/2008 benchmark was the Citigroup 3-Month T-bill + 500 bps.
- 33 Prior to 7/1/2011 this portfolio was included in the Real Return Asset Class
- 34 Since 7/1/2011 100% CPI + 5%. From 7/1/2008 through 6/30/2011: 35% MSCI AC World (net) index / 65% Barclays Multiverse index Prior to 7/1/2008: 100% Barclays TIPS 1-10 Year
- 35 Since 7/1/2011 Benchmark is composed of 100% 3 month T-Bill + 6.5%
From 7/1/2009 - 6/30/2011 Benchmark is composed of 75% Barclays Capital US TIPS , 10% DJ-AIG Commodities Total Return Index and 15% MSCI ACWI.
- 36 Since 5/1/1999: 100% Wilshire RESI Prior to 5/1/1999: 100% NAREIT Equity Share Price Index
- 37 Since 11/2007 benchmark is 100% FTSE EPRA NAREIT Developed Ex US (Net) index. Prior to 11/2007, the net version of the index was calculated by and provided to State Street by MSIM

State Retirement Agency of Maryland

RATES OF RETURN - Net Manager Fees

PERIODS ENDING - June 30, 2013



STATE STREET

SUMMARY OF PERFORMANCE

Endnotes - continued

- 38 From 11/1/2006: Benchmark is dynamically calculated using BMV weights of the underlying portfolios and their benchmarks.
- From 4/1/1994: 100% of LaSalle REIT Benchmark.
- 39 The Private Real Estate benchmark is the NCREIF ODCE (1 quarter lag) since 07/01/2013. However, in non-quarter end months, the actual Maryland Private Real Estate return will be applied. In the third month of the quarter, the return will be calculated so that when geometrically linked with months 1 and 2, the three month return equals the published NCREIF ODCE (1 quarter lag).
- Prior 07/01/2013, the Private Real Estate benchmark is the NCREIF PROPERTY INDEX QTR LAG.
- 40 Since 07/01/2013, a dynamic blend of the Wilshire RESI, NCREIF ODCE (one qtr lag), and the MSIM Custom EPRA/NAREIT Global ex US
- Prior 07/01/2013, a dynamic blend of the Wilshire RESI, NCREIF Property (one qtr lag), and the MSIM Custom EPRA/NAREIT Global ex US
- Prior to 7/1/2008: 50% Wilshire RESI & 50% NCREIF Property (one qtr lag)
- 41 Since 7/1/2008: Calculated monthly using transitional weights and asset class benchmarks. Prior to 7/1/2008: MSRA TOTAL PLAN STATIC POLICY
- 42 Calculated monthly using the strategic target weights and asset class benchmarks

State Retirement and Pension System
Asset Management Fees
(\$ in Millions)

Asset Class	<u>Market Value</u>	<u>Fiscal 2013 Performance</u>	<u>Fiscal 2013 Fees (\$)</u>	<u>Fiscal 2013 Fees (bps)</u>
Domestic Equity – Passive	\$2,201.4	21.2%	\$263,666	
Domestic Equity – Active	1,252.1	22.5%	4,783,074	
Subtotal	\$3,453.5		\$5,046,740	11.1
Int'l Equity – Passive	\$1,829.9	17.3%	\$578,004	
Int'l Equity – Active & Emerging	2,811.7	16.8%	14,356,900	
Subtotal	\$4,641.5		\$14,934,904	30.6
Global Equity – Passive	\$335.7	16.7%	\$243,471	
Global Equity – Active	5,191.4	19.8%	32,585,325	
Subtotal	\$5,527.1		\$32,828,796	54.4
Public Equity – Terra Maria	\$2,060.3	n/a	\$14,394,462	55.3
Public Equity – Total	\$15,682.5	19.1%	\$67,204,902	37.2
Domestic Fixed Income – Passive	\$515.9	-0.9%	\$166,767	1.8
Domestic Fixed Income – Active	3,994.1	0.7%	6,557,643	16.2
Global Fixed Income	1,511.9	3.7%	2,901,859	19.3
Fixed Income – Terra Maria	704.6	0.4%	1,892,991	26.3
Subtotal	\$6,726.6	1.1%	\$11,519,260	20.3
Private Equity	\$2,504.9	11.7%	\$53,838,189	224.3
Real Estate	\$2,314.9	12.6%	\$24,690,889	173.8
Alternatives				
Real Return – Inflation Linked	\$2,969.2	-3.9%	\$2,499,440	6.6
Real Return – Commodities, etc.	2,066.1	n/a	21,492,765	102.7
Credit and Debt– Funds	1,529.3	n/a	5,922,744	43.1
Credit and Debt – Other Alternative	1,668.0	n/a	40,337,243	241.8
Absolute Return	2,925.0	n/a	27,166,055	97.6
Hedge Funds	1,277.6	n/a	7,526,216	58.4
Cash	\$510.6	1.5%	\$0	0.0
Service Providers	n/a	n/a	\$12,693,738	n/a
Total	\$40,174.6	10.6%	\$274,891,441	62.0

bps: basis points

Source: State Retirement and Pension System