

skill, education, and knowledge, and whose labor is predominantly intellectual rather than physical or manual. [The compensation of unclassified employees shall be determined by the Board of Trustees with the approval of the Board of Public Works.] All employees of the State Investment Agency shall comply with policies prescribed by the Board of Trustees concerning personal investments and conflicts of interest.

(6) The members of the State Investment Council shall determine what bonding, if any, employees of the Agency shall be required to have in addition to that provided by the Treasurer in accordance with the provisions of Sections 46 through 50 of Article 78A of the Annotated Code of Maryland.

(7) Expenses in connection with the administration and operation of the State Investment Agency shall be paid from the income, interest, and dividends derived from deposits and investments administered by the Agency. Expenditures shall be in accordance with appropriations made by the General Assembly.

(8) The Board of Trustees shall be responsible for the budget of the State Investment Agency. The executive director of the State Investment Agency shall compile annually a comprehensive budget. The budget of the Investment Agency shall be submitted to the Investment Council for review and recommendation, prior to submission to the Board of Trustees.

(9) The executive director of the State Investment Agency shall submit a report on or before September 15 of each year to the Board of Trustees on the performance and operation of the Agency during the fiscal year concluded on the preceding June 30. The Board may prescribe the format of the report and may require such information as it deems appropriate.

(10) (a) The State Treasurer shall be the custodian of the annuity savings funds, accumulation funds, and expense funds of the several systems. All payments from the funds shall be made in accordance with rules adopted by the Board of Trustees, with the approval of the State Treasurer.

(b) The State Treasurer shall be the custodian of the securities, investments, deposits, and funds of the State Investment Agency.

(c) The State Treasurer is authorized to enter into arrangements with 1 or more duly qualified banks or trust companies for the safe custody of investments, for banking services, and for any other function considered necessary to physically safeguard the assets managed by the State Investment Agency.

(d) Any of the securities purchased by the State Investment Agency may be deposited in vaults or other safe depositories outside the office of the State Treasurer, both in and outside this State. A safekeeping receipt shall be delivered