



MARYLAND
STATE RETIREMENT
and PENSION SYSTEM

Annual Comprehensive Financial Report

Maryland State Retirement and Pension System

A Component Unit of the State of Maryland
For the Years Ended June 30, 2025 and 2024

2025

MISSION STATEMENT

The Board of Trustees of the Maryland State Retirement and Pension System (System) is charged with the fiduciary responsibility for administering the survivor, disability and retirement benefits of the System's participants and to ensure that sufficient assets are available to fund the benefits when due. To accomplish this mission the System has established the following key goals:

- To prudently invest System assets in a well-diversified manner to optimize long-term returns, while controlling risk through excellence in execution of the investment objectives and strategies of the System.
- To effectively communicate with all retirement plan participants to inform them about the benefits provided by the System, and to educate them about planning and preparing for all aspects of their future retirement.
- To accurately and timely pay retirement allowances provided by State pension law to the System's retirees and their beneficiaries.
- To implement an automated, comprehensive and integrated pension administration and electronic document management system.
- To efficiently collect the required employer and member contributions necessary to fund the System.

Annual Comprehensive Financial Report Maryland State Retirement and Pension System



A Component Unit of the State of Maryland

For the Fiscal Years Ended June 30, 2025 and 2024

*Prepared by Maryland State Retirement Agency's Finance Division
in coordination with staff from other divisions*

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STATE RETIREMENT AGENCY
120 East Baltimore Street
Baltimore, MD 21202-6700



SRPS
MARYLAND STATE RETIREMENT
and PENSION SYSTEM

410-625-5555 • 1-800-492-5909
TTY Users: call via Maryland Relay
sra.maryland.gov

December 8, 2025

Dear Members, Retirees and Beneficiaries:

On behalf of the Board of Trustees, we are pleased to present the Annual Comprehensive Financial Report of the Maryland State Retirement and Pension System for the fiscal year ending June 30, 2025. The contents of this report reflect the exceptional commitment and expertise of staff, whose daily efforts ensure the effective administration of benefits and the prudent management of the System's assets. During the fiscal year, the System issued approximately \$430 million in average monthly payments to more than 177,000 retirees and beneficiaries, and this report provides a comprehensive overview of its financial status and operations.

The System generated a return of 9.83%, net of fees, for the fiscal year ended June 30, 2025, modestly outperforming its policy benchmark of 9.54% as well as the actuarial assumed rate of 6.80%. The fund's performance increased the System's assets to \$73.6 billion, an increase of \$5.4 billion over the prior fiscal year.

Public equity was the primary driver of investment results, led by international developed equity and global equity, which returned 18.2% and 17.8%, respectively, for the fiscal year. Performance in private equity and real assets was positive; however, both asset classes trailed their respective benchmarks amid continued market headwinds in those sectors. Because asset classes perform differently under various economic conditions, the Board has adopted a diversified mix of investments that is designed to achieve the actuarial assumed rate of return over time with an acceptable level of risk.

While the focus will typically be on investment returns, the Board recognizes that the management of risk is equally important in the investment of plan assets. History has shown that returns will vary from year to year, at times by wide margins. The Board has adopted investment policies designed to minimize the downside impact of such volatility on the value of System assets, while still capturing significant value when markets are strong.

Our Retirement System remains administratively and financially sound. As a participant in the System, you can remain confident that your pension benefits are secure. As always, your commitment to and involvement in the concerns of the System are greatly appreciated. We value your input—this is your System. If you have any questions, please do not hesitate to contact us.

Sincerely,

Dereck E. Davis
Chair

Brooke E. Lierman
Vice Chair

BOARD OF TRUSTEES

Dereck E. Davis, *Chair*
Jamaal R. A. Craddock
Ayana K. English-Brown
Sheila Hill

Charles Hopkins
Richard E. Norman
Mia N. Pittman

Vickrant Puri
Vernon A. Reid, Jr.
Michelle RhodesBrown

Brooke Lierman, *Vice-Chair*
Tarrus Richardson
Robert F. Sandlass, Jr.
Yaakov "Jake" Weissmann

Jonathan D. Martin, *Acting Executive Director*

STATE RETIREMENT AGENCY
120 East Baltimore Street
Baltimore, MD 21202-6700



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LETTER OF TRANSMITTAL

December 5, 2025

Dear Board of Trustees and Members of the Maryland State Retirement and Pension System:

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of the Maryland State Retirement and Pension System (the System), a component unit of the State of Maryland, for the fiscal year ended June 30, 2025. This report provides complete and reliable information to support decision-making, ensure compliance with legal requirements, and demonstrate responsible stewardship of the System's assets.

Management is responsible for the accuracy, completeness, and fairness of the information contained in this report, including all accompanying disclosures. To the best of our knowledge, the information presented is accurate in all material respects and fairly portrays the System's financial position and results of operations for the fiscal year.

Overview of the System

The System is responsible for properly administering retirement, disability, and death benefits. At the same time, it strives to keep employer contribution rates as reasonable as possible by maximizing investment returns while maintaining an acceptable level of risk. Members covered by the System include state employees, teachers, law enforcement officers, legislators, judges, as well as local government employees and correctional personnel whose employers have elected to participate in the System.

The System provides monthly allowances to more than 177,000 retirees and beneficiaries and serves as a key component of future financial security for more than 208,000 active participating members. Descriptions of membership requirements and plan benefits are included in the Plan Summary section of this report.

Accounting System and Internal Control

This ACFR has been prepared in accordance with generally accepted accounting principles (GAAP) for governmental accounting and reporting, as promulgated by the Governmental Accounting Standards Board (GASB). The financial statements follow the accrual basis of accounting, under which revenues are recorded when earned and expenses when incurred. Investments are reported at fair value and transactions are recognized on a trade-date basis. Detailed accounting policies are presented in the Notes to the Financial Statements.

Management's Discussion and Analysis (MD&A), which follows the independent public accountants' report, provides a narrative overview and analysis of the basic financial statements and should be read in conjunction with this Letter of Transmittal.

The System maintains a comprehensive internal control structure designed to provide reasonable assurance regarding the safeguarding of assets, the reliability of accounting records, and the proper execution of transactions. These controls include written policies, procedures, and an internal audit division that reports directly to the Board of Trustees.

Financial Highlights

For fiscal year 2025, the System generated a net investment return of 9.83%, modestly outperforming its 9.54% policy benchmark. After payment of benefits, the System's fiduciary net position increased by \$5.3 billion, from \$67.9 billion to \$73.2 billion at June 30, 2025.

The System's long-term target strategic asset allocation is comprised of 34% public equities, 20% rate sensitive assets, 16% private equities, 9% credit/debt strategies, 15% real assets, and 6% absolute return. The System's portfolio is diversified across asset classes, geographies, and strategies and is structured to support long-term performance while mitigating short-term market volatility.

During fiscal year 2025, the System received \$2.9 billion in employer contributions, \$1.1 billion in member contributions, and earned \$6.6 billion in net investment income. Benefit payments totaled \$5.2 billion, while administrative and investment-related administrative expenses totaled \$58 million.

Funding

The System's funding framework relies on contributions from members and employers and long-term investment earnings. Investment income has historically been the largest source of benefit funding. The accumulated assets dedicated to paying benefits are reported as "fiduciary net position restricted for pensions" in the Statement of Fiduciary Net Position in the Financial Section of this report. Actuarial accrued liability and the actuarial value of assets are detailed in the Schedule of Funding Progress in the Other Supplementary Information section.

The actuarial value of assets is calculated using a five-year smoothing method that recognizes investment gains or losses in excess of the actuarial assumed rate of return (6.80%) over five years. This value is used in determining employer contribution rates, as disclosed in Note 5 to the basic financial statements.

The actuarial accrued liability represents the present value of benefits earned to date by retirees, beneficiaries, and active members. The ratio of actuarial assets to actuarial liability, known as the funded ratio, provides a key measure of the System's long-term funding status. The funded ratio increased from 73.4% as of June 30, 2024, to 73.9% as of June 30, 2025. As of June 30, 2025, the System reported \$73.8 billion in actuarial assets and \$99.9 billion in actuarial liabilities, resulting in an unfunded actuarial accrued liability of \$26.0 billion, which is being amortized over various closed periods.

Summary of Key Initiatives

In fiscal year 2025, the Agency strengthened its commitment to delivering a high-quality, member-focused experience for all participants of the Maryland State Retirement and Pension System. Several strategic initiatives were launched to improve responsiveness, expand access to services, and ensure that members and employers receive timely, accurate, and personalized support throughout every stage of their retirement journey.

A major initiative in fiscal year 2025 was the reorganization that elevated Member Services, formerly part of Benefits Administration, into a standalone division led by a newly appointed Member Services Administrator. Following this transition, the division implemented several service-delivery improvements. The call center Abandonment Rate dropped from 16.69% in fiscal year 2024 to 8.61% in fiscal year 2025, and Average Wait Times improved significantly, decreasing from 435 seconds to 142 seconds. Email and mySRPS inquiry response times also improved, falling from an average of 5–10 business days to just 1–3 business days.

Employer Services was also reorganized during fiscal year 2025, becoming part of the Member Services division to enhance employer engagement, outreach, and training. Counseling services saw substantial

gains as well. With the introduction of virtual appointment options and reduced scheduling backlogs, the average wait time for a counseling appointment decreased from 12 weeks to fewer than 2 weeks. Beginning in January 2025, Member Services assumed full responsibility for planning and hosting retirement webinars and seminar events for State employees and participating government agencies. Since reintroducing these events in early 2025, the division has hosted 57 webinars and seminars, reaching more than 4,700 attendees as of November 2025.

Professional Services

To support the Board of Trustees in its fiduciary responsibilities, the System engages numerous external professionals. Actuarial services are provided by Gabriel, Roeder, Smith & Company, Southfield, Michigan. The financial records of the System are audited by SB & Company, LLC, Certified Public Accountants, under the contract with the State of Maryland. State Street Bank & Trust Company served as custodian and provided portfolio accounting services. Meketa Investment Group, Inc. served as the general investment consultant, with Hamilton Lane, Townsend Holdings, and Aksia, LLC providing specialized consulting for private equity, real estate, and absolute return, respectively.

Awards

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the System for its ACFR for the fiscal year ended June 30, 2024. This was the 36th consecutive year the System has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Additionally, the System received the Standards Award for Funding and Administration from the Public Pension Coordinating Council (PPCC) in recognition of the agency's fulfillment of public pension standards. Developed by PPCC, these standards are the benchmark for measuring excellence in defined benefit plan administration. The purpose of the PPCC's awards program is to promote high professional standards for public employee retirement systems and publicly commend systems that adhere to these standards. The PPCC is a coalition of the National Association of State Retirement Administrators (NASRA), the National Conference on Public Employee Retirement Systems (NCPERS) and the National Council on Teacher Retirement (NCTR).

Acknowledgments

This annual report is the result of the combined teamwork of the System's staff under the direction of the Board. Our sincere appreciation is extended to all who assisted in and contributed toward the completion of this document.

We are dedicated to being your trusted partner and take our commitment to members' retirement security and fiscal stewardship very seriously. We extend our appreciation to the Board of Trustees for its leadership and continued support of the System's mission. We also thank the System's professional consultants and advisors for their expertise and guidance throughout the fiscal year.

Respectfully submitted,

Jonathan D. Martin
Acting Executive Director

Tonia Shultz
Chief Financial Officer

BOARD OF TRUSTEES AS OF NOVEMBER 2025



Dereck E. Davis, *Chair*
State Treasurer
Ex Officio since December 17, 2021
Committee Assignments: Administrative,
Audit, Investment



Brooke Lierman, *Vice-Chair*
State Comptroller
Ex Officio since January 16, 2023
Committee Assignments: Investment (Chair),
Corporate Governance and Securities Litigation



Jamaal R. A. Craddock
August 1, 2025 - July 31, 2029
Committee Assignments:
Administrative, Audit



Ayana K. English-Brown
August 1, 2023 – July 31, 2027
Committee Assignments:
Administrative, Compensation and
Staffing



Sheila Hill
August 1, 2023 – July 31, 2027
Committee Assignments: Corporate
Governance and Securities Litigation
(Acting Chair/Vice-Chair), Investment,
Compensation and Staffing



Charles Hopkins
August 1, 2024 – July 31, 2028
Committee Assignments: Corporate
Governance and Securities Litigation,
Audit



Richard E. Norman
August 1, 2022 – July 31, 2026
Committee Assignments:
Administrative (Vice-Chair), Audit,
Investment, Compensation and
Staffing



Mia N. Pittman
August 1, 2023 – July 31, 2027
Committee Assignments: Audit (Chair),
Investment (Vice-Chair)

BOARD OF TRUSTEES (CONTINUED)



Vickrant Puri
August 1, 2025 – July 31, 2029
Committee Assignments: Corporate
Governance and
Securities Litigation, Investment



Vernon A. Reid, Jr.
July 1, 2025 – June 30, 2029
Committee Assignments:
Administrative, Corporate
Governance and Securities Litigation



Michelle RhodesBrown
August 1, 2023 – July 31, 2027
Committee Assignments:
Compensation and Staffing (Chair),
Corporate Governance and
Securities Litigation, Investment



Tarrus Richardson
July 1, 2021 - June 30, 2025
Committee Assignments: Investment,
Compensation and Staffing



Robert F. Sandlass, Jr.
July 1, 2021 - June 30, 2025
Committee Assignments:
Administrative (Chair), Audit (Vice-
Chair), Compensation and Staffing
(Vice-Chair), Corporate Governance
and Securities Litigation



Yaakov "Jake" Weissmann
Ex Officio since October 22, 2025
Committee Assignments:
Administrative, Compensation and
Staffing, Corporate Governance and
Securities Litigation, Investment

ADVISORS TO THE INVESTMENT COMMITTEE



Joanna Pratt
July 1, 2025 – June 30, 2028



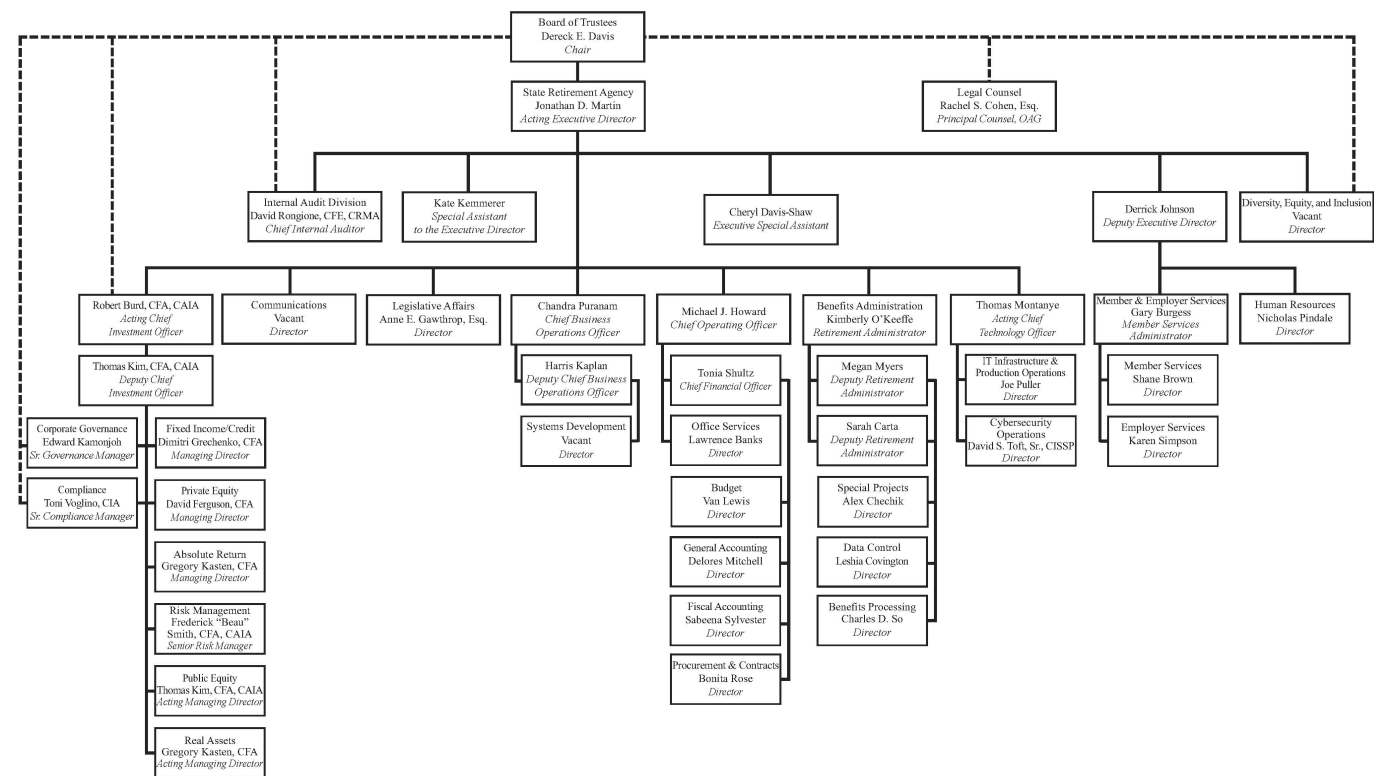
Sharcus Steen
July 1, 2023 – June 30, 2026



Monte Tarbox
July 1, 2024 – June 30, 2027

ORGANIZATIONAL CHART

(DECEMBER 2025)



* Additional information regarding investment professionals who provide services to the System can be found on pages 11, and 104-108. The Schedule of Equity Commissions to Brokers can be found on page 109.

PROFESSIONAL SERVICES

Global Custodial Bank and Security Lending

State Street Bank & Trust Company
Boston, Massachusetts

Deutsche Bank
New York, New York

Hearing Officers

Office of Administrative Hearings
Baltimore, Maryland

Independent Actuary

Gabriel Roeder Smith & Co.
Southfield, Michigan

Independent Public Accountant

SB & Company, LLC
Owings Mills, Maryland

Independent Investment Consultants

Hamilton Lane Advisors, LLC
Conshohocken, Pennsylvania

Meketa Investment Group, Inc.
Westwood, Massachusetts

Townsend Holdings, LLC
Cleveland, Ohio

Aksia, LLC
New York, New York

Operational Banking Services

M & T Bank
Baltimore, Maryland

The Harbor Bank of Maryland
Baltimore, Maryland



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
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Presented to

Maryland State Retirement and Pension System

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO



Public Pension Coordinating Council

***Public Pension Standards Award
For Funding and Administration
2025***

Presented to

Maryland State Retirement and Pension System

In recognition of meeting professional standards for
plan funding and administration as
set forth in the Public Pension Standards.

Presented by the Public Pension Coordinating Council, a confederation of

National Association of State Retirement Administrators (NASRA)
National Conference on Public Employee Retirement Systems (NCPERS)
National Council on Teacher Retirement (NCTR)

A handwritten signature in black ink, appearing to read 'Robert A. Wylie', is positioned above the printed name.

Robert A. Wylie
Program Administrator



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