

**BOARD OF TRUSTEES FOR THE
MARYLAND STATE RETIREMENT AND PENSION SYSTEM
MINUTES OF MEETING**

May 21, 2024

The Board of Trustees for the Maryland State Retirement and Pension System convened, via a hybrid in-person/Webex conference call at 120 E. Baltimore Street, 16th Floor, Baltimore, Maryland, beginning at 1:32 p.m.

The Trustees present included:

Dereck Davis, Chair

Brooke Lierman, Vice Chair

Ayana English-Brown

Helene Grady

Sheila Hill (virtual)

Charles Hopkins

Richard Norman (virtual)

Mia Pittman

Douglas Prouty

Michelle RhodesBrown (virtual)

Tarrus Richardson

Robert Sandlass

Agency Staff members present included: Martin Noven, Executive Director/ Secretary of the Board

Melody Countess

Cheryl Davis-Shaw

Robert Diehl

Anne Gawthrop

Courtney Key

Derrick Johnson

Harris Kaplan

Chris Mannino

Kim O'Keeffe

Andy Palmer

Ben Robb

David Rongione

Toni Voglino

Assistant Attorneys General present included: Rachel Cohen, Alex Harisiadis

Other attendees included: Jon Martin and Megan Schutz (Treasurer's Office); Devaughn Blackburn and Dani DiPietro (Comptroller's Office); Phillip Anthony, Joe Gutberlet, and Michael Rubenstein (DLS); Tara Azizi (IMB Partners); Gar Chung (FIN News); Joe Ebisa (With Intelligence); Damaris Rivera (Fairview Capital); Patrice Sowah

Call Meeting to Order:

Having established there was a quorum, Mr. Davis called the meeting to order.

The meeting began with introductions, as the board welcomed two new members, Charles Hopkins and Tarrus Richardson.

Consent Agenda:

On a motion made by Mr. Prouty and seconded by Ms. Lierman, the Board approved the open session minutes for the meeting held on April 16, 2024.

Appointment of the Investment Committee Chair:

On a motion made by Ms. Hill and seconded by Mr. Prouty, the Board voted to appoint Ms. Lierman as Chair of the Investment Committee.

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Recommendation of the Investment Committee regarding the Criteria for the Chief Investment Officer's Evaluation:

The Committee deferred making a recommendation to the Board regarding the criteria for the Chief Investment Officer's Evaluation.

General Assembly Reports:

The board discussed a new process for handling General Assembly reports, classifying them into three tiers based on their level of importance and discussion needed.

The Board requested that changes be made to the tier classification for the Annual Comprehensive Financial Reports, the Investment Division's MBE report, and Private Equity/venture capital investments in Maryland technology reports.

Chief Investment Officer's Report:

Mr. Palmer, Chief Investment Officer, reported that the investment returns for the year were 3.77%, lower than expected due to a market downturn. Stocks and assets sensitive to interest rates were hit hardest. Inflation rising meant the Federal Reserve was not able to cut rates as planned, which negatively impacted the bond investments. However, despite the market downturn, the absolute return portfolio showed resilience and achieved positive outcomes, fulfilling its purpose in challenging market conditions.

Executive Director's Report:

Mr. Noven welcomed the agency's new Communications Director, Katherine Morris.

CLOSED SESSION

On a motion made by Ms. English-Brown and seconded by Mr. Prouty, the Board voted to meet in a Closed Session, beginning at 1:51 p.m. for the purposes of:

(a) reviewing the closed session Board meeting minutes, pursuant to General Provisions Art., § 3-103(a)(1)(i), the exercise of an administrative function and General Provisions Art., § 3-305(b)(13), to comply with a specific constitutional, statutory, or judicially imposed requirement that prevents public disclosure about a particular proceeding or matter, namely, General Provisions Art., § 3-306(c)(3)(ii), requiring the minutes of a closed session to be sealed and not be open to public inspection;

(b) reviewing the Medical Board reports regarding individual participants' claims for disability retirement benefits, pursuant to General Provisions Art., § 3-305(b)(13), to comply with a specific constitutional, statutory, or judicially imposed requirement that prevents public disclosure about a particular proceeding or matter, namely, General Provisions Art. § 4-312 regarding the prohibition on disclosing retirement records, and General Provisions Art., § 4-329 regarding the prohibition on disclosing medical and psychological information.

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(c) discussing the recommendation of the Investment Committee regarding the appointment of a Public Advisor to the Investment Committee, pursuant to General Provisions Art., § 3-103(a)(1), the exercise of an administrative function; and General Provisions Art., § 3-305(b)(1)(ii), to discuss the appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation or performance evaluation of an appointee, employee, or official over whom it has jurisdiction.

(d) considering proposed salary adjustments for employees of the Investment Division, pursuant to General Provisions Art., Section 3-305(b)(1)(i), to discuss the appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation, or performance evaluation of appointees, employees, or officials over whom it has jurisdiction; and

(e) considering a proposed salary adjustment for the CIO pursuant to General Provisions Art., § 3-305(b)(1)(i), to discuss the appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation, or performance evaluation of appointees, employees, or officials over whom the Committee has jurisdiction, and General Provisions Art., § 3-103(a)(1)(i), the exercise of an administrative function.

The Trustees present included:

Dereck Davis, Chair

Brooke Lierman, Vice Chair

Ayana English-Brown

Helene Grady

Sheila Hill (virtual)

Charles Hopkins

Richard Norman (virtual)

Mia Pittman

Douglas Prouty

Michelle RhodesBrown (virtual)

Tarrus Richardson

Robert Sandlass

Agency Staff members present included: Martin Noven, Executive Director/ Secretary of the Board
Cheryl Davis-Shaw

Derrick Johnson (Items a and b only)

Courtney Key

Kim O'Keeffe (Items a and b only)

Andy Palmer (Items a, b, and c only)

Assistant Attorneys General present included: Rachel Cohen

Other attendees included: Jon Martin, Devaughn Blackburn, and Dani DiPietro

On a motion made by Ms. Pittman and duly seconded, the Board returned to open session, beginning at 1:59 p.m., via hybrid in-person/Webex conference call.

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OPEN SESSION

The Trustees present included:

Dereck Davis, Chair

Brooke Lierman, Vice Chair

Ayana English-Brown

Helene Grady

Sheila Hill (virtual)

Charles Hopkins

Richard Norman (virtual)

Mia Pittman

Douglas Prouty

Michelle RhodesBrown (virtual)

Tarrus Richardson

Robert Sandlass

Agency Staff members present included: Martin Noven Executive Director/ Secretary of the Board

Cheryl Davis-Shaw

Courtney Key

Assistant Attorneys General present included: Rachel Cohen

Other attendees included: Jon Martin, Devaughn Blackburn, and Dani DiPietro

Call for Agenda Items:

Ms. Pittman requested that Corporate Governance be considered a training topic for a future educational session.

Ms. Lierman provided a summary of some of the discussions held by the Investment Committee, emphasizing that full Board discussion will be needed on the Terra Maria program, the implementation of the Climate Advisory Panel, and the in-state investment program.

During closed session, the Board of Trustees discussed the matters identified in the motion to meet in closed session, and acted on the following matters:

Closed Session Meeting Minutes:

The Board voted to approve the closed session minutes of the April 16, 2024 meeting.

Medical Board Reports:

The Board voted to approve the medical boards for the following dates:

- April 18, 2024
- April 24, 2024
- May 2, 2024
- May 8, 2024
- May 16, 2024

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Recommendation of the investment committee regarding the appointment of a public advisor to the Investment Division:

The board accepted the recommendation of the Investment Committee, reappointing Lamonte Tarbox to serve as a public advisor for the Investment Division for the July 1, 2024 to June 30, 2027 term.

Recommendation of the Investment Committee regarding the salary adjustment for Employees of the Investment Division:

The board adopted the recommendation to adjust the base salaries of the employees in the Investment Division.

Recommendation of the Investment Committee regarding the salary adjustment for the Chief Investment Officer:

The board approved a salary adjustment for the Chief Investment Officer.

Adjournment:

There being no further business before the Board, on a motion made by Ms. English-Brown and seconded by Ms. Pittman, the meeting adjourned at 2:01 p.m.

Respectfully submitted,



Martin Noven
Secretary of the Board