



SRPS
MARYLAND STATE RETIREMENT
and PENSION SYSTEM

Maryland Retirement and Pension System Board of Trustees Minutes of the Open Session

Convened on Tuesday, April 15, 2025, at 9:30 a.m. via a videoconference

The Trustees present:

Treasurer Dereck Davis, Chair
DBM Secretary Helene Grady
Jamaal Craddock
James Daly
Ayana English-Brown
Sheila Hill
Charles Hopkins

Richard Norman
Mia Pittman
Douglas Prouty
Tarrus Richardson
Michelle RhodesBrown
Robert Sandlass
Benjamin Seigel

Staff members present:

Martin Noven, Executive Director
Robert Burd
Gary Burgess
Cheryl Davis- Shaw
Robert Diehl
Anne Gawthrop
Michael Howard
Derrick Johnson
Lisa Jordan
Courtney Key

Thomas Kim
John Lane
Katherine Morris
Megan Myers
Kim O'Keeffe
Andrew Palmer
Benjamin Robb
David Rongione
Beau Smith
Toni Voglino

Assistant Attorneys General:

Rachel Cohen
Alex Harisiadis

Emily Spiering

Other attendees:

Lauren Albanese
Devaughn Blackburn
Angelo Calvello
Cyril Espanol
Emily Gallagher
Joe Gutberlet
Douglas Lawrence

Jon Martin
Eileen O'Grady
Jennifer O'Dell
Nia Phillips
Megan Schutz
Jason Smith
Rick Sullivan

Item 1: Call Meeting to Order

The Chair called the meeting to order, after establishing a quorum at 9:31 a.m.

Item 2: Open Session Minutes

On a motion made by Trustee English-Brown and seconded by Trustee Sandlass, the Board of Trustees approved the open session meeting minutes of the Board of Trustees for March 18, 2025.

Item 3: Administrative Committee Report

Administrative Committee Chair Richard Norman provided a report on the April 1st Administrative Committee meeting, which included a brief legislative update, and statistics from Benefits Administration and Member Services.

Item 4: Audit Committee Report

Audit Committee Chair Mia Pittman provided a report on the April 1st Audit Committee meeting, which included the review of various reports, the results of the mid-year assessment, and actions taken by the Audit Committee.

Item 5: Investment Committee Report

Investment Committee Vice Chair James Daly provided a summary of the March 25th Investment Committee meeting. The meeting included presentations on Absolute Return Emerging Managers and asset allocation strategies for consideration. The Committee also reviewed proposed changes to the Investment Policy Manual. Additionally, Trustee Daly reported that Public Advisor Tarbox presented rationale for the Committee to consider the potential inclusion of a responsible workforce policy in the Investment Policy Manual.

Item 6: Recommendation Regarding the Asset Allocation:

At the March 25th Investment Committee meeting, Meketa presented asset allocation options for consideration. The committee voted to recommend option 3 to the Board for adoption.

On a motion made by Trustee Daly and seconded by Trustee English-Brown, the Board approved the proposed changes to the System's asset allocation policy as presented under Option 3 by Meketa, with the understanding that this approval does not include authorization to implement a portable alpha strategy at this time.

This motion included the following clauses:

- Neither the CIO nor any investment staff will make any significant changes to the portfolio until a future motion by the Board authorizing an implementation plan.
- The investment staff shall return to the Investment Committee in May with a detailed implementation plan for the new asset allocation for the Committee's consideration.
- After that presentation, the Investment Committee may bring forward a separate recommendation for the Board to consider regarding the full exit from Absolute Return and whether to grant the CIO discretion to implement a portable alpha strategy.

This motion shall not limit investment staff's ability to react to investment opportunities in the market, but no new major allocations will move forward until the implementation plan is reviewed and approved.

Item 7: Legislative Update for 2025 Session

Director of Legislative Affairs Anne Gawthrop reported that all the Agency's bills passed with the requested amendments, and that all but one amendment had been secured on external bills. Ms. Gawthrop thanked staff for their dedication and support, which contributed to a successful legislative session. Ms. Gawthrop concluded her update addressing misinformation in the media and social platforms regarding pension system funding in the current budget. She clarified that while the budget includes cost-sharing with counties and discontinues additional contributions referred to as "reinvestment of savings," the System has not been underfunded, and no benefits were cut. She invited staff to direct any concerned members or retirees to her for accurate information and clarification.

Item 8: Chief Investment Officer's Report

Chief Investment Officer Andrew Palmer began his report by outlining the process for implementing the asset allocation adopted by the Board, with a goal to avoid quick changes that could negatively impact fund performance. The process involves adjusting the liquidity mix and benchmarks, along with updating the Investment Policy Manual (IPM) to reflect these changes. He also explained that implementation would be gradual with an expected timeframe of up to two years and will be deferred until the new CIO has had an opportunity to review. In the meantime, investment staff are looking for opportunities to implement parts of the asset allocation changes when the market conditions allow, especially to meet cash needs to cover benefit payments.

There was some discussion regarding the benchmark policy and how it will align with the adopted asset allocation.

Mr. Palmer followed with an update on fund performance as of February 28, 2025. The fund generated a return of 0.74% for the month, with total assets slightly over \$71 billion. Fiscal year-to-date, the fund was up 5.57%, slightly under the policy benchmark but still tracking toward the 6.8% actuarial target. Mr. Palmer also noted that mid-year benchmark mismatches aren't a major concern due to typical fluctuations in private equity and real estate valuations, which usually smooth out by June 30. He reported that March saw a -0.72% return which reversed February's gains. Mr. Palmer pointed out a recurring pattern of alternating positive and negative monthly returns but emphasized that overall, the fund has been gradually trending upward.

Item 9: Executive Director's Report

Executive Director Martin Noven began his report by expressing gratitude to Ms. Gawthrop. He then reminded the trustees to submit their annual financial disclosure statements to the State Ethics Commission by the end-of-month deadline.

Item 10: Motion to meet in Closed Session

On a motion made by Trustee English-Brown and seconded by Trustee Craddock, the Board voted to meet in closed session at 10:16 a.m.:

(a) To review the closed session Board Minutes, in order to comply with the requirement that closed session minutes be sealed and not open to public inspection, pursuant to General Provisions Art., § 3-103(a)(1), the exercise of an administrative function; and General Provisions Art., § 3-305(b)(13), to comply with a specific statutory 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 that the minutes of a closed session be sealed and not be open to public inspection;

(b) To review the Medical Board Reports regarding individual participants' claims for disability retirement benefits, in order to prevent public disclosure of confidential retirement records and medical information, pursuant to General Provisions Art., § 3-305(b)(13), to comply with a specific statutory 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; and

(c) To consider the appointment of members to the Board of Trustees' Climate Advisory Panel, in order to consider a confidential personnel matter, 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 an appointee, employee, or official over whom it has jurisdiction; and to exercise an administrative function, pursuant to General Provisions Art., Sec. 3-103(a)(1);

CLOSED SESSION

Trustees present:

Treasurer Dereck Davis, Chair
DBM Secretary Helene Grady
Jamaal Craddock
James Daly
Ayana English-Brown
Sheila Hill
Charles Hopkins

Richard Norman
Mia Pittman
Douglas Prouty
Tarrus Richardson
Michelle RhodesBrown
Robert Sandlass
Benjamin Seigel

Staff members present:

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Robert Burd
Cheryl Davis- Shaw
Anne Gawthrop
Michael Howard
Derrick Johnson
Lisa Jordan

Courtney Key
Katherine Morris
Megan Myers
Kim O'Keeffe
Andrew Palmer
David Rongione

Assistant Attorneys General:

Rachel Cohen
Alex Harisiadis

Emily Spiering

Other attendees:

Devaughn Blackburn
Jon Martin

Megan Schutz

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:

Item 11: Closed Session Board Meeting Minutes

The Board approved the closed session minutes for the March 18th Board meeting.

Item 12: Medical Board Reports

The Board approved the medical board reports for the following dates:

- March 20, 2025
- March 26, 2025
- April 3, 2025
- April 9, 2025

Item 13: Recommendation Regarding the Climate Advisory Panel Members

The Board approved the appointment of the following individuals to serve on the Climate Advisory Panel:

- Angelo Calvello
- Mary McAvity Cerulli
- Maria Elena Drew
- Douglas Lawrence
- Stacy Swann

Item 14: Motion to Adjourn Closed Session and return to Open session

The Board returned to open session at 10:22 a.m.

OPEN SESSION

Trustees present:

Treasurer Dereck Davis, Chair
DBM Secretary Helene Grady
Jamaal Craddock
James Daly
Ayana English-Brown
Sheila Hill
Charles Hopkins

Richard Norman
Mia Pittman
Douglas Prouty
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Robert Sandlass
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Staff members present:

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Jennifer O'Dell
Nia Phillips
Megan Schutz
Jason Smith
Rick Sullivan

Item 15: Board-Led Discussion

Trustee Pittman requested the Executive Director present topics at an upcoming meeting for the Board Education session pertaining to board governance and strategic planning.

Trustee English-Brown expressed appreciation for the new format for committee reporting.

Item 17: Motion to Adjourn the Meeting

On a motion made by Trustee English-Brown and seconded by Trustee Norman, the meeting was adjourned at 10:26 a.m.

Respectfully submitted,



Martin Noven
Secretary of the Board