

ABOUT THE MARYLAND STATE RETIREMENT AND PENSION SYSTEM

The Maryland State Retirement and Pension System (SRPS) administers retirement, death, and disability benefits for over 420,000 current and former state workers, teachers, police, judges, and law enforcement agents. A 15-person Board of Trustees, led by the Treasurer (Chair) and the Comptroller (Vice-Chair), oversees the system. The Board meets monthly to establish System policy, advise on implementation, and receive operational updates. Various committees meet monthly or quarterly. Staff from the State Retirement Agency, including finance, investment, retirement services, and technology professionals, strive to ensure timely and full benefits distribution to beneficiaries and generate investment income to achieve a fully-funded retirement system.

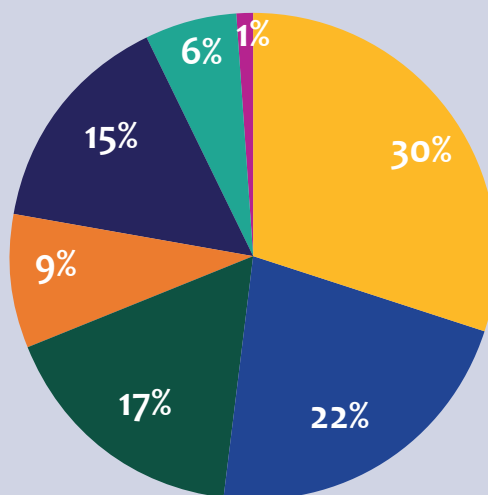
MARYLAND'S ASSET ALLOCATION POLICY

The Board of Trustees is responsible for overseeing investments of the fund, which is currently valued at \$66 billion. One of the most important responsibilities of the Board of Trustees is to determine the asset allocation of the fund. Asset allocation is the strongest driver of long-term investment performance.

Asset allocation is the decision on how to divide money in the investment portfolio among the different asset classes (public equity, private equity, real assets, etc.). Because each asset class presents unique risks and returns and each responds differently to changes in the financial markets, it is a complex process. The Board's goal is to have a diverse mix of assets that perform well under different market conditions.

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The amount of risk the Board wants to take in pursuit of investment returns helps determine the allocation mix. Maryland has a slightly lower risk tolerance than many peers, which is intended to reduce volatility and ensure stable returns over the long term. This strategy aims to avoid the lowest lows, even if it means not achieving the highest highs. It prioritizes long-term stability over short-term gains.



As of February 2024



The Trustees review the asset allocation policy annually to ensure whether it is still appropriate given the economic environment and Board's objectives – this took place in February. At least every five years a formal asset allocation study is conducted by the Board's general consultant which includes financial modeling of assets and liabilities – this will happen in Q1 2025. This process is essential in order for the Board to navigate the complexities of market fluctuations and deliver a financially secure future for the System's 420,000 members.

FAST FACTS: THE FUND

Fund size

FY23: \$65 billion

Source of funds

Employer contributions: 31%

Member contributions: 12%

Investment income: 57%

Investment returns

FY23: 3.14%

Average – past 5 years: 6.93%

Average – past 10 years: 7.04%

BOARD OF TRUSTEES LEADERSHIP



Chair Derek E. Davis
Maryland State Treasurer



Vice-Chair Brooke E. Lierman
Comptroller of Maryland

FAST FACTS: MEMBERS

Actively contributing: 199,000

Mandatory 7% employee contribution for the majority of members

Vested but inactive: 47,000

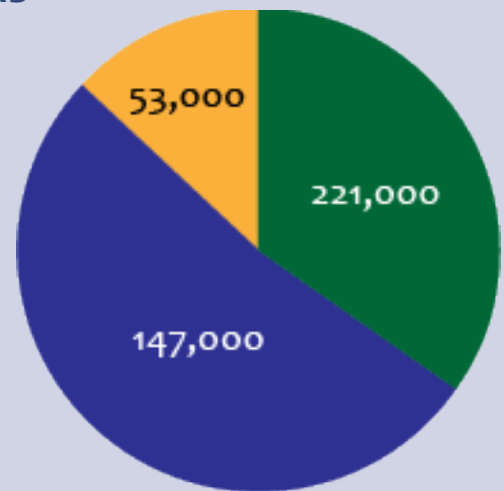
No longer contributing

Retirees & Beneficiaries: 175,000

Retirement eligibility at age 65 with at least 10 years of service

Total members: 420,000

- State Employees
- Teachers
- Municipal Government Employees



WHERE RETIREES AND BENEFICIARIES LIVE

Baltimore	22,032	Calvert	2,447
Anne Arundel	13,498	Charles	2,355
Baltimore City	11,558	Worcester	2,253
Prince George's	10,909	Somerset	2,221
Montgomery	9,562	Queen Anne's	2,034
Harford	7,364	Cecil	1,972
Howard	6,797	Dorchester	1,491
Carroll	5,413	Talbot	1,472
Frederick	5,295	Garrett	1,305
Washington	4,716	St. Mary's	1,254
Wicomico	3,558	Caroline	1,129
Allegany	3,524	Kent	771

