



# Retirement News Highlights

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## NEXUS 2024: Maryland pension system likely to explore secondaries sale later this year

*A panel of LPs discuss trends and themes in private equity, including the use of secondaries to rebalance portfolios*

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**Buyouts**

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**Maryland State Retirement and Pension System** is eyeing a secondaries sale later this year as it works to pare down its portfolio of GP relationships, the system's deputy CIO Robert Burd said at PEI Group's NEXUS 2024 conference Thursday.

Burd was part of a panel of LPs moderated by Jen Choi, CEO of Institutional Limited Partners Association, talking about various themes and trends in the market, including the use of secondaries. Several of the LPs said they have thought about a sale, and some have executed on transactions in the past.

Other members of the panel included Geeta Kapadia, CIO of Fordham University's endowment; Lamar Taylor, interim executive director and CIO at the **Florida State Board of Administration**; and Bei Saville, CIO of Advance Treasury and Fingerboard Family Office.

Maryland closed a large, roughly \$1.2 billion secondaries sale in 2018 to Ardian, *Buyouts* previously reported. Maryland captured all the proceeds from the sale over about a year's time because of a deferred payment structure, according to Burd and *Buyouts'* **past reporting**.

"That was a positive experience, we sold at par, it took us a year or so to get the entire \$1.2 billion, 25 percent of it up front and then over the course of a year received all distributions and at the end of the year we received the remaining amount," he said.

This year, the system will look to hire an agent to work through another potential sale, he said. The system has identified a portfolio of assets it would like to sell, generally funds from managers with which the system is not likely to re-commit, he said.

Rationale for the sale is to trim the portfolio, which is sitting at an around 21 or 22 percent actual allocation on a 16 percent target, Burd said. The system is not desperate for liquidity like some other systems, so a sale “is not critical.”

Along with a potential sale, the system will have to slow down its commitment pacing over the next few years to rebalance its allocation, Burd said. “Private equity is one area where we’re going to have to tap the brakes a little bit over the next couple years,” he said.

Another member of the panel, Kapadia of Fordham University’s endowment, said her institution is not prepared to sell yet because of pricing.

A secondaries sale “is not really that attractive right now for me. We’re sitting on the sidelines and watching, and want to be ready in case those numbers start to look better for us,” Kapadia said.

Having joined the endowment in 2022, Kapadia has spent time with the system’s PE managers and has an idea of which groups the system will move forward with, she said. With that in mind, the question is, what are some options for restructuring the portfolio, she said.

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