Maryland State Retirement posts -3% fiscal-year return, above benchmark

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Maryland State Retirement & Pension System, Baltimore, returned a net -3% for the fiscal year ended June 30, but topped its benchmark return of -3.5%, its board of trustees announced Tuesday.

Amid much different market conditions, the $64.6 billion pension fund returned a net 26.7% for the fiscal year ended June 30, 2021.

For the three, five and 10 years ended June 30, the pension fund returned an annualized 8.4%, 7.9% and 7.8%, respectively, compared with their respective benchmarks of 7.4%, 7.4% and 7.1%.

➡Compare returns of public pension plans with P&I's Pension Fund Returns Tracker at https://www.pionline.com/section/returns-tracker

"It was a difficult fiscal year for public markets with both bond and stock prices falling," said Andrew C. Palmer, the retirement system's chief investment officer, in a news release. "The board's diversified asset allocation policy anticipates unusual markets such as these and includes stabilizing assets classes to protect value. For fiscal year 2022, alternative assets were able to produce positive returns and help the system outperform its benchmark, further preserving value."

By asset class, real assets returned a net 25.7% (above its 19.9% benchmark), followed by private equity at 24.5% (24% benchmark). Credit returned a net -4.5% but topped its -12.6% benchmark, and cash returned a net 0.25% (0.19% benchmark).

The remaining asset classes came in below their benchmarks: multiasset strategies at -19% (-3.5%); absolute return, 1.4% (3%); rate sensitive, -15.3% (-13.7%); and public equity, -19.4% (-18.1%).

As of June 30, the actual allocation was 28.5% public equities, 21.5% private equity, 17.6% rate-sensitive assets, 15.2% real assets, 7.9% credit, 7.6% absolute return, 0.4% multiasset strategies and the rest in cash.

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