

News Release

Retirement and Pension System Board of Trustees Demonstrates its Commitment to Emerging Managers by Formalizing the Terra Maria Program

Change to investment policy manual formalizes emerging managers as part of the Maryland State Retirement and Pension System's long-term goals and strategies

BALTIMORE, MD (December, 5, 2024) — The Maryland State Retirement and Pension System's (SRPS) Board of Trustees has approved a new policy to formally include the [Terra Maria Emerging Manager Program](#) into its Investment Policy Manual, reinforcing the Board's commitment to innovation, diversity, and long-term growth within the System's portfolio. In codifying the emerging manager program, the System is pioneering a model of best practices proven to yield investment returns and recognizing the program's success in increasing diversity among the managers with whom it partners. Maryland's Terra Maria program serves as one of the largest commitments to diverse managers among the nation's pension plans.

"We are pleased to formally incorporate the Terra Maria Emerging Manager Program into our Investment Policy Manual," said **Treasurer Dereck Davis**. "This decision reflects our unwavering commitment to ensure that small and diverse asset management firms have a lasting and impactful role in managing the state's retirement portfolio, driving value for our beneficiaries, and fostering equity within the investment landscape."

Following an initial \$330 million allocation in 2007, the Maryland State Retirement and Pension System has grown its emerging manager program into one of the largest emerging manager programs in the nation. The program has \$5 billion in assets to date, representing over 7% of total plan assets.

"The Terra Maria Program demonstrates Maryland's leadership in innovative and inclusive investment practices," **Comptroller Brooke E. Lierman**, Chair of the SRPS

Investment Committee shared. “By formally integrating its principles into our Investment Policy Manual, we are institutionalizing our commitment to diversity, transparency, and prudent investment strategies. This ensures that we not only achieve strong returns but also support a thriving ecosystem of diverse asset managers.”

The Terra Maria Strategy seeks to enhance the total portfolio’s risk-adjusted return by accessing smaller, often diverse firms, that may otherwise face barriers to entry through the traditional institutional investment processes.

“The Maryland State Retirement and Pension System’s success is based on our people and our investment partners,” said **SRPS Executive Director, Martin Noven**. “Our long-standing commitment to diversity represents the best of all possible worlds. We are provided with access to unique investment opportunities with insightful, emerging managers who might be overlooked, while simultaneously cultivating the next generation of investors.”

The newly added policy language outlines the program’s structure, fiduciary responsibilities, and key objectives, including enhancing portfolio returns, fostering diversity, and supporting the growth of next-generation investment managers. The SRPS Board’s decision was informed by insights from the Diverse Asset Managers Institute’s (DAMI) recent study on best practices for emerging manager programs.

The System is taking deliberate steps to align its approach with these findings by dedicating additional investment staff to manager outreach and engagement. These efforts aim to provide promising emerging managers with meaningful opportunities while ensuring the System’s portfolio remains robust and dynamic.

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