

**HOLYOKE RETIREMENT SYSTEM
REQUEST FOR PROPOSAL**

**OPPORTUNISTIC CREDIT
INVESTMENT MANAGEMENT SERVICES**

I. INTRODUCTION

The Board of Trustees of the Holyoke Retirement System is considering an allocation to Opportunistic Credit (“Proposed Product”) for a mandate of approximately \$10 million. The Retirement Board will not accept proposals for core plus, multi-sector strategies, and/or unconstrained fixed income strategies. Individual contracts will be awarded under terms set by the Board and the successful respondent(s) in accordance with M.G.L. Ch. 32 and all applicable investment guidelines administered by the Public Employee Retirement Administration Commission (“PERAC”). The Board reserves the right to reject any and all proposals at its discretion or to select more than one manager and to determine the amount of assets each will manage.

Any questions relating to the proposal should be directed via email only to both email addresses:

bostonrfp@segalmarco.com
rghazarian@segalmarco.com

II. GENERAL INFORMATION

The Holyoke Retirement System has undergone extensive studies by both its actuary and its consultant, Segal Marco Advisors, to determine the status and direction the fund should take in order to best serve the current and future needs of its members. Based on these studies, a target asset allocation and investment goals have been determined. Given the System’s current allocation, the Board is requesting proposals from managers with Opportunistic Credit strategies that can source alpha through credit and securitized instruments that, when used in conjunction with volatility management tools, generates uncorrelated returns to core fixed income and equity.

III. SCOPE

The successful respondent will be expected to invest the assets under its care in accordance with the dictates of M.G.L. Ch. 32 and the rules and regulations set forth by the Public Employee Retirement Administration Commission as well as the professional standards of a fiduciary.

The manager's primary responsibility, however, will be to serve the Board in its fiduciary capacity regarding these funds. The investment manager will be expected to meet with the Board at regular intervals and to report to the Board at least quarterly on the portfolio. The investment manager will be expected to invest in accordance with the goals and objectives of the Board and within the tolerance for risk established therein.

Should the respondent ultimately be selected to manage assets on behalf of the Board, under the requirements of M.G.L. Ch.32, Section 23B, the contract must state that the manager is a fiduciary with respect to the Board's funds and that the manager shall not be indemnified by the Board.

IV. SUBMISSION OF PROPOSALS

1. Proposal for Services and Proposal for Pricing must be separately submitted and sealed. Each envelope must include the "Respondent Firm Name – Holyoke Proposal for Services – Opportunistic Credit" and "Respondent Firm Name – Holyoke Proposal for Pricing – Opportunistic Credit".
2. Please mail one original bound copy of the Service and Price Proposal and a copy on a flash-drive with all attachments to Cheryl Dugre at the Holyoke Retirement Board:

Cheryl Dugre
Executive Director
Holyoke Retirement Board
Korean Plaza – Room 207
Holyoke, MA 01040

3. Please email a copy of the Service and Price Proposal (Price Proposal separate individual email) along with all attachments (not to exceed 10MB) to bostonrfp@segalmarco.com with the email subject "Holyoke Proposal for Opportunistic Credit".
4. Proposals should be signed by an official with authority to bind the firm and shall contain a statement that the proposal is firm through December 31, 2021.
5. Proposals must be received by the Retirement System prior to 3:00 p.m. EST on Monday, May 24, 2021. Proposals will not be accepted after the closing date and time.
6. The Board reserves the right to accept or reject any or all proposals or any parts thereof, and to waive any formalities in the submission of proposals if it is deemed in the best interests of the Board to do so.

V. ACCEPTANCE AND AWARD

The Board may elect to schedule an interview process with respondents based upon the proposals' relative merits and relative prices. The Board reserves the right to reject any or all proposals at its sole discretion whether prior to or after the interview. The Board shall also have sole discretion in deciding which respondents will be considered/interviewed.

The respondents are hereby advised that any proposal selected shall be subject to (a) approval of the Board, (b) a written contract, and (c) approval by PERAC. Failure of the parties to agree on mutually acceptable contract language will void the award of the proposed engagement to the selected candidate. The Board shall have sole discretion in determining whether the parties are unable to reach agreement on the language of the written contract. The Board may require that the contract contain mandatory contractual terms and language.

VI. MINIMUM CRITERIA

The successful respondent will be expected to meet the standards necessary in order to satisfy the demands placed on the Board under Section III (SCOPE). Respondents must submit the Minimum Criteria Response Sheet and the Request for Information accompanying this RFP. The RFI can be found on the Segal Marco Advisors website (<http://segalmarco.com/about-us/client-rfps/>). The Minimum Criteria Response Sheet and Fee schedule will be used by the Board to establish eligibility. The Board, in evaluating manager qualifications, will use this information and any other promotional materials, reports, or documents that the respondent may wish to submit.

The respondent must also submit the following documents, which are available through the PERAC website <http://www.mass.gov/perac/compliance-investments/compliance-forms/>:

- New Vendor Contact Information – Form C-2281
- New Vendor Disclosures – Form C-0576
- Vendor Certification – Form C-8135
- Placement Agent Statement for Investment Management – Form C-1034

Additionally, please include the following:

- Most recent audited financial statements for the firm
- Sample due diligence report
- Offering Memorandum for the fund
- Limited Partnership Agreement, if applicable
- Copy of your firm's Code of Ethics Policy
- Copy of complete Form ADV, Parts I and II
- Documentation providing proof of insurance coverage levels
- Generic DDQ with information on your current fund offering
- Valuation Policy

Failure to meet any of these criteria, or to provide information in the attached form that is deemed unsuitable to the requirements of the Holyoke Retirement Board, will lead to automatic disqualification.

VII. EVALUATION CRITERIA

- The ability to manage the portfolio in accordance with requirements and restrictions mandated by M.G.L. Ch. 32 and PERAC.

- The ability to analyze and monitor financial markets.
- Proven track record of success managing Opportunistic Credit portfolios
- Clear and demonstrable understanding of public and private credit markets
- The financial strength and stability of the organization.
- The ability to provide these services at competitive rates.
- The ability to achieve superior investment returns for the portfolio.

VIII. REPORTS

The manager will file reports with the Board and its consultant, preferably month but not less than quarterly, detailing the performance of the portfolio. The manager will be expected to furnish other information on an as needed basis.

FEES

"Proposals for pricing" must be submitted separately from "proposals for services" as stated previously. Fee proposals should be based on initial assets of \$10 million.

1. Name of Firm.
2. Name of Proposed Product.
3. Please list ALL of the investment vehicle(s) that are available for the **PROPOSED PRODUCT** (e.g., onshore, offshore, commingled or separately managed account). If there are any vehicles that are currently closed, or in the process of closing to new investors, please list and indicate those as well.
4. Which vehicle are you proposing for this account?
5. Please list the minimum account size and provide the fee schedule for the proposed product/vehicle.

MINIMUM CRITERIA RESPONSE SHEET

Bidders are expected to meet the following minimum criteria. Failure to satisfy any of the minimum criteria may result in the disqualification of the bidder. Please acknowledge that the following criteria are satisfied by initialing the "Yes" response to certify that you meet the minimum criteria.

1. The firm is a registered investment advisor pursuant to the Investment Advisors Act of 1940 or is exempt from registration. If exempt, please explain.

Yes _____ No _____

2. The firm has experience managing investments for institutional, tax-exempt or state, municipal, or other governmental defined benefit plans.

Yes _____ No _____

3. The firm and its principals have extensive experience making private and public investments for institutional investors and a successful track record of sourcing, monitoring and investing in credit markets.

Yes _____ No _____

4. The majority of the firm principals have worked together at least five years and have in excess of 10 years' individual experience investing in credit markets.

Yes _____ No _____

5. The proposed investment will comply with and adhere to M.G.L. Ch. 32 and those regulations established by the Public Employee Retirement Administration Commission (PERAC) to the extent necessary.

Yes _____ No _____

6. The proposed vehicle will be open to new investors through 2021.

Yes _____ No _____

7. The General Partners have made a substantial commitment to the current fund offering. Please describe.

Yes _____ No _____

8. The firm has at least \$5.0 billion of assets under management.

Yes _____ No _____

9. The firm has met with Segal Marco Advisors research and completed their RFI.

Yes _____ No _____

10. The firm has completed the required PERAC forms (See page 3 for instructions).

Yes _____ No _____