**Falmouth Retirement System**

80 Davis Straits, Suite 102

Falmouth, MA 02540

**REQUEST FOR PROPOSAL**

*for*

**Maritime Shipping Investment Management**

**ISSUE DATE: APRIL 2025**

## Introduction

This Request for Proposal is being issued by Wainwright Investment Counsel, LLC (“Wainwright”) on behalf of the Falmouth Retirement System[[1]](#footnote-1) (the “System”), which is seeking proposals from investment management firms to manage $5 - $10 million of the System’s defined benefit plan in a maritime shipping fund. Total assets of the System were reported by the custodian to be approximately $214 million as of January 31, 2025. Candidates should respond with a credit or equity focused fund that invests in maritime related assets.

The Board, in conjunction with its Investment Consultant, Wainwright, will assign initial ratings of “Highly Advantageous”, “Advantageous”, “Not Advantageous” or “Unacceptable” to the proposed products in accordance with state law and regulations. Initial ratings will be based on an evaluation of the following broad areas:

1. Organization
2. Experience with MA pension funds subject to the Public Employee Retirement Administration Commission (“PERAC”)[[2]](#footnote-2) regulations
3. Investment strategy & team
4. Prior fund performance
5. Fund terms and fees

Any revisions to a proposed plan for providing services should be negotiated prior to awarding the contract. It should be noted that any such revision that is agreed to by the Board that diminishes the rights of the Board as originally proposed may result in a violation of fiduciary duty. The Board shall determine the most advantageous proposal from a responsible and responsive offer taking into consideration price and the evaluation criteria.

All questions with regard to this RFP should be sent by **email only** to [kip@falmouthretirementma.gov](mailto:kip@falmouthretirementma.gov) and [jfabrizio@winvcounsel.com](mailto:Jfabrizio@winvcounsel.com).

## Due Date and Required Contents

**Completed submittals are due at 2:00 PM EST on April 30, 2025** and must include:

1. A cover letter containing the contact information for this proposal (name, phone number and email), the name of the proposed product, the proposed fee and a statement that the proposal is firm through a period of one year from the due date of this RFP;
2. A completed Summary Questionnaire **submitted in Excel format,** which is part of the zip file that was downloaded from the Wainwright website;
3. A completed Minimum Criteria certification (found on the following pages);
4. Your firm’s marketing presentation for the proposed fund;
5. Your firm’s due diligence questionnaire for the proposed fund;
6. Part 1 and Part 2 (Part 2A and 2B) of your firm’s most recent Form ADV; and
7. Completed copies of the PERAC regulatory forms, which include:

* [Vendor Disclosures](https://www.mass.gov/files/documents/2016/05/xp/c-0576.pdf)
* [Placement Agent Statement for Investment Management](https://www.mass.gov/files/documents/2016/03/qk/c-1034.pdf)
* [New Vendor Contact Information](https://www.mass.gov/files/documents/2016/04/rk/c-2281.pdf)
* [Vendor Certification](https://www.mass.gov/files/documents/2016/03/nu/c-8135.pdf)

## Submittal Instructions

1. Respondents should mail one (1) hardcopy and one (1) “thumb drive” of the completed proposal with all components outlined above to:

Kip St. Germaine, Director

Falmouth Retirement System

80 Davis Straits, Suite 102

Falmouth, MA 02540

Hardcopy submittal should be sent in a sealed envelope labeled:

**YOUR FIRM’S NAME**

**FALMOUTH RETIREMENT SYSTEM**

**MARITIME SHIPPING INVESTMENT MANAGER RFP**

1. In addition, items 1 through 7 above shall be emailed to [kip@falmouthretirementma.gov](mailto:kip@falmouthretirementma.gov) at the Falmouth Retirement System and [Jfabrizio@winvcounsel.com](mailto:Jfabrizio@winvcounsel.com%20) at Wainwright with **“YOUR FIRM’S NAME - FALMOUTH RETIREMENT SYSTEM – MARITIME SHIPPING INVESTMENT MANAGER RFP”** in the subject line of the email. **All attachments should be sent unzipped as zip files cannot be accepted.**

Candidates should note that a “quiet period” will commence upon the issue date of this RFP and will end when an agreement is reached with the Investment Manager.

## Massachusetts General Laws

Massachusetts General Laws Chapter 32, Sections 23 and 23B require Retirement Boards to adhere to a specific process in obtaining the enumerated services. Any award of funds pursuant to this search will be subject to: (1) formal approval by the Board and (2) acknowledgement by the Public Employee Retirement Administration Commission (“PERAC”), which is the entity that regulates the investment decisions made by the Board. Allocated funds must be managed in accordance with Massachusetts General Laws Chapter 32, Chapter 176 of the Acts of 2011 and the regulations of the Public Employee Retirement Administration Commission at 840 of the Code of Massachusetts Regulations, including 840 CMR 16.00-25.00. In addition, M.G.L. c. 32, § 23B(k)(1) requires that each contract with an “investment service provider” include certain mandatory terms and conditions, which must be agreed to by the contractor as part of this RFP process.

Please visit <https://malegislature.gov/Laws/GeneralLaws/PartI/TitleIV/Chapter32/Section23B> for additional information.

# MINIMUM CRITERIA

**Firm Name:**

Candidates that do not meet the criteria below may be assigned a rating of “Unacceptable” and, if so, will not be considered.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | |  |  | **Yes** |  | **No** |
| 1. | The Firm agrees to comply and adhere to Massachusetts General Laws Chapter 32, Chapter 176 of the Acts of 2011, the regulations of the Public Employee Retirement Administration Commission, 840 CMR if selected: | |  |  |  |  |
|  |  | |  |  |  |  |
| 2. | The firm is a registered investment advisor pursuant to the Investment Advisors Act of 1940 or is exempt from registration (if exempt, please describe on a separate page): | |  |  |  |  |
|  |  | |  |  |  |  |
| 3. | The firm has been in business for at least five years as of December 31, 2024: | |  |  |  |  |
|  |  | |  |  |  |  |
| 4. | The Firm has no pending financial, legal, or regulatory actions that will impair its ability to meet contractual commitments to clients: | |  |  |  |  |
|  |  | |  |  |  |  |

Certified and Initialized by:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name Title

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date

# MANAGER CONTACT SHEET

The Manager Contact Sheet should be completed and submitted with each response to this Request for Proposal. This is intended to provide the System with information on the bidder’s name and address, and the specific person(s) who are responsible for preparation of the bidder’s response. Each bidder shall also designate a specific contact person who will be responsible for responding to the System if any clarifications of the bidder’s response should become necessary. This will also be the person who the System contacts to set up a presentation if necessary.

|  |  |
| --- | --- |
| Firm Name: |  |
| Firm Address: |  |
|  |  |
|  |  |
|  |  |
| **Primary Contact Person** |  |
| Name & Title: |  |
| E-mail Address: |  |
| Telephone Number (Office): |  |
| Telephone Number (Cellular): |  |
|  |  |
|  |  |
| **Backup Contact Person** |  |
| Name & Title: |  |
| E-mail Address: |  |
| Telephone Number (Office): |  |
| Telephone Number (Cellular): |  |
|  |  |
|  |  |
| Legal Name of Proposed Fund: |  |

# I. FIRM BACKGROUND INFORMATION

**A. Company Name and Addresses:**

1. What is the legal name of your firm?
2. What is your firm’s address?

**B. Ownership & Affiliates:**

1. Your firm is organized as a:
2. What is the total number of employees at your firm?
3. How many of them have equity ownership in your firm?

1. What percentage of the total equity do they collectively own?
2. Please list all other institutional owners and explain their relationship to the firm.
3. List ALL companies affiliated with or related to your firm.
4. Please discuss your firm’s five year business plan. Where will future growth come from? Please be sure to include a discussion of how the firm plans to achieve its goals and also the corresponding time frame.
5. Describe your firm’s succession plan for senior management.
6. Are there any legal or regulatory issues against the firm or the key investment professionals that we need to be aware of?
7. Does the Firm engage in any business activities that are different than the Fund offering? If yes, please explain.

## C. Other Offices

1. Please list all cities where the firm has other offices and the capabilities at each.

## D. Important Dates

1. Please indicate exact date any assets were first managed by the firm.
2. Please indicate exact date current investment process was initiated by the firm.
3. Please indicate exact date present firm was operative.
4. Please indicate SEC file number, if any:
5. Exact date of filing, if applicable:

## E. Insurance and Other

1.) Please indicate the name of carrier and the dollar amount:

A.) Errors & Omissions

1. Fiduciary Liability
2. Fidelity Bonding
3. Have you ever needed to use your insurance policies? When? Why? Please explain.
4. Have you ever settled out of court? When? Why? Please explain.
5. Have any of the employees or the firm been sued during the past three (3) years? Are there any pending litigations? If the answer is ‘yes’ to either question, please explain in full detail.
6. Are you now, or in the past three years, been involved in any regulatory investigation against the firm or any of its principals individually? If yes, please explain.
7. Who is the firm’s independent auditor? (Please provide name and address). Has the firm changed its auditor within the past three years? If yes, please explain why.
8. Has the Firm, any of the funds or portfolio investments ever received a qualified audit opinion from the auditors during the last 10 years?
9. Provide the names of the fund administrator, legal advisor, and any other service providers to the fund. Have you changed any of these providers in the last three years?
10. Does the firm have any existing business lines that are unrelated to the Fund’s investment strategy?
11. Has the Firm or any of its affiliate entities ever failed to make payments under any secured or unsecured indebtedness?
12. Has the Firm or any affiliated entity ever filed for bankruptcy?
13. Have any of the Firm’s current and former Team Members ever filed for bankruptcy?
14. Will the Firm or any of its Principals conduct outside business activities (non-Fund related) that are expected to take up significant (greater that 20%) time during the life of the Fund?
15. Please disclose any conflicts of interest that you may have with respect to this assignment.
16. Does your firm have a formal business continuity plan? Please provide the basic provisions.
17. What contingency plans do you have in terms of:
18. Computer system fault
19. Incapacitated investment decision makers
20. Back-up systems
21. Viral outbreaks
22. Inability to access office space

## G. Personnel

Please list the names, titles, years of industry experience and years at your firm for each professional on the management team for the proposed fund. Please add more lines to the table below if needed.

|  |  |  |  |
| --- | --- | --- | --- |
| Name | Title | Years of Industry Experience | Years at Your Firm |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

1. Please provide biographical information for each professional listed above.
2. Please provide an organizational flow chart, if available.
3. Describe the compensation structure and bios for key personnel. Please discuss the bonus, ownership equity and phantom equity programs available to them.

1. How do you evaluate the compensation package that your firm offers with that of your competitors?
2. What organizational structures are in place (other than compensation) that entice employees to remain at the firm?
3. Please list names, positions held and dates of key personnel added in the last 5 years as of December 31, 2024.
4. Please list names, positions held and dates of key personnel departed in the last 5 years as of December 31, 2024.
5. Do you anticipate any employee departures within the next three years?
6. Who are the “key investment professionals” in the partnership documents? Please describe the “key investment professional” terms in the partnership.
7. Please describe the extent of the investment by Firm professionals in the Fund?
8. Will any of the Firm Principals have an option not to invest in the Fund?
9. Do you have any employees that work in your organization under temporary contracts?

# II. ASSET BREAKDOWN

Please list the committed and investment capital for your firm’s funds in accordance with the table below showing dollar amounts in millions as of December 31, 2024.

|  |  |  |
| --- | --- | --- |
|  | Committed Capital ($MM) | Invested Capital ($MM) |
| Proposed Fund: |  |  |
| Prior Fund(s): |  |  |
| Other (Please explain): |  |  |
| Total firm-wide Assets: |  |  |

1. Please provide a list of public pension fund clients subject to PERAC regulation that have committed to the proposed fund and the amount of their commitment.

## Placement Agents

1. Are there any placement agencies marketing this fund on your behalf?
2. What is the name of the firm?
3. What is the compensation that will be paid to that firm as a result of the procurement process for the Falmouth Retirement System?

# III. FUND **BACKGROUND** INFORMATION

## A. Product

1. What is the legal name of the proposed product?
2. Does this fund have any parallel vehicles that are structured to accommodate different investor types?
3. Please list the dates of the closings that have occurred to date and the amount of capital for each closing.
4. How much capital has been invested as of March 31, 2025?
5. How many deals has the fund invested in as of March 31, 2025?
6. What is the target fund size?
7. What is the anticipated final closing date for the fund?
8. What is the partnership life?
9. What is the investment period?
10. What is the strategic focus of the Fund?
11. What is the geographical focus of the Fund?
12. What is the minimum equity investment from limited partners?
13. How will new limited partners to the fund share in the Fund’s unrealized gains, if any, that have been generated to date?

## B. Fees

1. What is the management fee during the investment, harvesting and extension periods? Is the management fee based on committed or contributed capital?
2. Describe the Fund’s carried interest charge by the General Partner and its basis (e.g. whole fund or deal-by-deal).
3. What are the specific milestones that need to be met before the General Partner can start taking / take-additional carry. Include details on calculating carried interest.
4. Describe the Fund’s clawback provision for carried interest paid to the General Partner.
5. State the Fund’s policy on holding a portion of carried interest in escrow. Provide a working example of the most recent fund’s distribution waterfall, noting any variations from the expected calculations for the Fund.
6. How is the carried interest vested for those parties that participate? What happens to the unvested carry of former Team Members?
7. Are there any “late” fees that the Falmouth Retirement System would incur by investing in this product?
8. Please describe your billing frequency and whether it is in advance or arrears.
9. If you have different fee schedules for public fund clients, please attach and label them.
10. Does the fund have the ability to recycle capital? If yes, please explain.
11. Describe how the General Partner’s contribution for investments will be paid.
12. How many investments are you likely to make?
13. What will be the typical like size of the largest equity investment?
14. What is the likely size of the smallest equity investment?

# IV. INVESTMENT STRATEGY

1. Describe the General Partner’s investment strategy.
2. Describe the investment process and deal flow
3. How do you source investments for the fund?
4. What is the primary source of deal flow?
5. Who are your competitors for deals?
6. What is the Fund’s:
7. Expected number of investments.
8. Expected maximum percentage of total capital commitments to be allocated to a single investment.
9. Expected size and capital structure of investments.
10. Expected leverage multiple of debt and total leverage in the capital structure.
11. Potential investment in equity and/or warrants.
12. Expected stage of development of investments.
13. Security level and position in capital structure of loans
14. Collateral types, if any of loans
15. Expected geographic focus.
16. Expected industry focus.
17. Describe the markets in which the Fund will operate and provide an overview of the current opportunities. Why is the opportunity to invest in this market particularly attractive during the Fund’s investment period?
18. Discuss how the Fund’s pipeline of new investments compares / differs from prior funds?

# V. DUE DILIGENCE

1. Discuss the Firm's screening, due diligence and risk management processes prior to acquiring an investment.
2. If applicable, provide examples of fraud, corruption or other potential asset ownership risks that the Firm previously identified in a potential investment and explain how the Firm identified and managed those risks.
3. Please describe the due diligence process for evaluating non-U.S. investments and how it differs from U.S. investments.
4. For each step of the process, how is decision making structured.
5. Is there a checklist of items that the Investment Committee reviews before an investment is made? If yes, please provide a list.
6. Is any aspect of the due diligence process outsourced to a third-party? If so, please explain.
7. What research, models, or databases does your firm utilize during the due diligence process.

# VI. PORTFOLIO MANAGEMENT

1. Who would be the portfolio manager(s) assigned to this account?

|  |  |
| --- | --- |
| **Name** |  |
| **Title:** |  |
| **Experience (attach short resume):** |  |

1. Please describe your portfolio management approach.
2. Are decisions made by committees or by the manager? If by committee, who are the members and do decisions require a majority, supermajority or unanimous vote of the committee members?
3. How often does the committee meet and what is typically discussed?
4. Describe your portfolio construction philosophy and process.
5. Describe the exit strategy and give an example of a past exit.

# VII. RISK MANAGEMENT

1. Please describe what your definition of risk is and how you manage risk within the proposed fund?
2. What risks are you willing/not willing to take?
3. How many investments have you already made in the proposed fund? Please provide an overview of the investments that you have made.
4. Regarding leverage:
   1. What is the Fund’s policy regarding leverage?
   2. How do you define leverage?
   3. Does the Fund have a line of credit and, if so, who is it with and what is the amount?
5. How much leverage is allowed at the Fund level?
6. How much leverage is allowed per investment?
7. What investment guidelines/limits exist for this Fund?
8. What do you think are the biggest risks that investors will bear by investing in the proposed fund?
9. Describe the hedging policy that will be employed by the Fund.
   1. Will the Fund employ an active, passive or no policy?
   2. Describe any other fund (active or liquidated) managed by the Firm that uses/used a different policy and explain the rationale for the differences.
10. Describe the role of the Firm’s internal advisory board(s).
    1. Detail all matters referred to the advisory board(s), including any currently unresolved matters.
    2. Describe any additional governing/advisory bodies that impact the management or investment activity of the Firm (e.g. CEO Circle, operating committee, management affiliate, etc.).

# VIII. BACK OFFICE/REPORTING

1. Please describe your administrative/back office operation.
2. Please provide an organizational chart of the back office team.
3. Please provide the bios of the back office team.
4. Please indicate the timing for distribution of quarterly reports.
5. Please indicate the timing for distribution of capital accounts.

# IX. PRIOR FUND(S) PERFORMANCE

Please complete the following tables detailing the performance of your four most recent prior funds.

|  |  |  |
| --- | --- | --- |
| Fund Name | Enter Name of Prior Fund 1 | Enter Name of Prior Fund 2 |
| Vintage Year |  |  |
| Total No. of Investments |  |  |
| No. of Realized Investments |  |  |
| Primary Industry Focus |  |  |
| Committed Capital |  |  |
| Contributed Capital |  |  |
| Distributions |  |  |
| Remaining Value |  |  |
| Gross IRR |  |  |
| Net IRR |  |  |
| Gross TVPI Multiple |  |  |
| Net TVPI Multiple |  |  |

|  |  |  |
| --- | --- | --- |
| Fund Name | Enter Name of Prior Fund 3 | Enter Name of Prior Fund 4 |
| Vintage Year |  |  |
| Total No. of Investments |  |  |
| No. of Realized Investments |  |  |
| Primary Industry Focus |  |  |
| Committed Capital |  |  |
| Contributed Capital |  |  |
| Distributions |  |  |
| Remaining Value |  |  |
| Gross IRR |  |  |
| Net IRR |  |  |
| Gross TVPI Multiple |  |  |
| Net TVPI Multiple |  |  |

1. How many prior funds does your firm have that invested in the same primary industry as the fund being proposed?
2. Is the investment performance included in all of the Firm’s marketing materials compliant with the most recent version of the [Global Investment Performance Standards (GIPS)](http://www.gipsstandards.org/standards/current/Pages/index.aspx)?
3. Describe the most appropriate private and public market benchmarks for the four most recent funds (of the same strategy). Compare the limited partner returns of the prior funds with the relevant private and public market benchmarks. Describe the consistency and dispersion of the returns.
4. Provide examples of active/exited investments with an investment multiple (TVPI) below 1.0x. Discuss what went wrong, action taken, and lessons learned.

1. The Retirement Board members (the “Board”) of the Falmouth Retirement System are seeking requests for proposal (“RFP”) as set forth herein. Wainwright is assisting the System in the aforementioned RFP process solely in its capacity as the System’s Investment Consultant. [↑](#footnote-ref-1)
2. The Public Employee Retirement Administration Commission (“PERAC”) is the entity that regulates the investment decisions made by Massachusetts public pension funds. [↑](#footnote-ref-2)