

# Investment Management Insurance

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## PROPOSAL FORM

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Please answer all questions. If you have insufficient space to complete an answer, attach a separate signed and dated sheet and identify the question number concerned.

Please enclose with this proposal form:

- a. Latest audited annual reports and interim reports of the investment manager and funds;
- b. Latest prospectus or offering memorandum to investors of each of the funds;
- c. Copy of the licences issued by the appropriate regulators;
- d. Portfolio performance information for the past five years;
- e. Copy of standard client contract(s);
- f. Resumes of the investment managers and Directors in the Investment Manager;
- g. Copy of any brochures or marketing information;
- h. Organisational Chart;
- i. Copy of ICAAP.

### A. General Details

1. a) Name of Investment Manager:

b) Principal address of Investment Manager:   
Postcode

2. Internet Address or website:

3. Nature of activities of the Investment Manager:

4. Please complete the attached Details of Investment Manager's Activities at the end of this proposal form.

5. Is the Investment Manager licensed by any regulatory authority? Yes  No

*If so, please list the regulatory authorities.*

6. On what date was the Investment Manager first established?

7. a) Is the Investment Manager listed on any local or overseas stock exchange? Yes  No

*If yes, please provide full details.*

b) Is the Investment Manager traded in any other way? Yes  No

*If yes, please provide full details.*

8. Are there any shareholders who own 10% or more of the issued shares? Yes  No

*If yes, please provide details.*

9. Has there been during the past three (3) years, or is there now proposed:

a) any acquisition or merger involving the Investment Manager? Yes  No

b) any change in the name of the Investment Manager? Yes  No

*If yes, please provide full details.*

10. a) Number of offices

b) Are any of the Investment Manager's offices located in the USA? Yes  No

*If yes, please state the number and their location(s).*

11. Number of employees:

Breakdown of employees:

Portfolio Manager

HR Department

Compliance Department

Research Department

Internal Audit Department

Marketing/ Sales Department

Legal Department

Others

12. Do you recommend investment areas other than commonly traded securities? Yes  No

*If yes, please describe the specialty area, state its percentage of total investment assets, objectives of investment, and geographic locations if applicable.*

13. State the type and frequency of reports sent to investors (please attach a copy).

14. Are customers permitted to select their own broker? Yes  No

15. Are customer's transactions managed by an in-house broker? Yes  No

16. Does the Investment Manager make use of any soft dollar arrangements? Yes  No

*If yes, is it properly and adequately disclosed to the customers?*

Yes  No

*If yes, please describe the disclosure arrangement.*

17. Do you utilise a custodian? Yes  No

*If yes, please state the name of the custodian and the functions it performs on behalf of the Investment Manager*

## B. Funds

1. Please complete the attached Schedule of Funds at the end of this proposal form.

2. Is cover required for any appointed agents to act in connection with the Funds? Yes  No

*If yes, please provide details as to the agents appointed; the services provided; and whether the agents are required to maintain their own insurances in connection with the Funds.*

3. Are shares of any Funds sold or investment advisory services offered to investors residing in the USA? Yes  No

*If yes, please provide details.*

4. Have there been any changes or modification in the prospectus, investment restrictions or limitations of any Fund within the past 2 years? Yes  No

*If yes, please provide details.*

5. Has any government agency, foreign or domestic, conducted an inspection of any Funds or Investment Manager within the past three (3) years? Yes  No

*If yes, was any letter of deficiency or review of licensing received as a result of the inspection?*

- Yes  No

*If yes, please attach a copy of such letter and management's response.*

6. Has the fund had redemptions of more than 20% in any single month over the last five years? Yes  No

*If yes, please provide details.*

7. Do all funds carry out due diligence on potential investors to ensure suitability for investment in the fund, and is a document completed by potential investors identifying their risk profile and ensuring their understanding of all risks involved? Yes  No

8. Is the Net Asset Valuation procedure of the fund fully independent and do valuation procedures comply with all relevant 'fair value' regulations? Yes  No

9. Do the fund Directors have any investment in the fund? Yes  No

### C. Outside Directorships

- Is cover required for any Outside Directorships currently or previously held in any Outside Organisation with the knowledge and consent or at the request of the Investment Manager / Funds? Yes  No

[*Outside Directorship means any position currently or previously held by an Insured in any company or organisation, which is not a subsidiary of the Company and which is held at the request of the Investment Manager.*]

*If yes, please complete the table at the end of this proposal form.*

### D. Audit

#### Internal Audit:

1. Is there an Internal Audit Department that is separate from the auditing services provided by an external auditor? Yes  No

*If yes:*

- a) How often are full internal audits conducted?

- b) Have they been trained to fulfil this function? Yes  No

- c) Are the personnel responsible for auditing free of all other operational responsibilities and forbidden to originate entries? Yes  No

- d) Does the Internal Audit Department conduct a periodic surprise audit of internal control systems at all locations? Yes  No

- e) Is the internal audit department independent of any other function? Yes  No

f) Does the Internal Auditor report directly to the Audit Committee of the Board of Directors? Yes  No

2. Do you have procedures in place to monitor the implementation of recommendations made by the internal audit department? Yes  No

*If no, please explain:*

**External Audit:**

3. State the name of the external auditors who fully audit your accounts.

4. How often are full external audits conducted?

5. Does the audit include all offices and branches, including Data Processing offices? Yes  No

*If no, what form does the audit take?*

6. Does the external auditor:

a) regularly review the system of internal control and furnish written reports? Yes  No

b) report directly to the Audit Committee of the Board of Directors? Yes  No

7. Has the firm rendered an unqualified opinion for each of the last five (5) years? Yes  No

8. Has there been any change in the firm used by the Proposer in the last five (5) years? Yes  No

*If yes, please explain.*

9. Have all recommendations been complied with as a result of the most recent audit? Yes  No

*If no, have you adopted alternative arrangements to the satisfaction of your auditor?*

Yes  No

10. Have you initiated and/or completed a SAS70 or AAF01/06 audit? Yes  No

*If completed, please attach a copy of the report to this application.*

*If the SAS70 or AAF01/06 was initiated but not completed please explain why?*

11. Are you a signatory to the Hedge Fund Standards Board? Yes  No

*If no, please explain?*

**E. Legal Counsel**

1. a) State the names of external legal counsel routinely utilised.

b) What is external legal counsel used for?

c) Is there an in-house Legal Department? Yes  No

*If yes, what are the department's responsibilities?*

2. Is there a standard written agreements/contracts/letter of offer setting out the terms and conditions of the services provided? Yes  No

*If yes, (i) are all contracts approved by legal counsel?* Yes  No

*(ii) do all contracts provide indemnity and/or limitations to the Proposer's liability?* Yes  No

3. Are all publications, marketing material, or other product services communications, reviewed by legal counsel prior to their release to third parties? Yes  No

*If not, please provide details.*

## F. Agents

1. Are all agents / service providers:

a) appointed under a written contract? Yes  No

b) vetted for financial stability, competency and honesty before being approved? Yes  No

c) required to hold and maintain their own Professional Indemnity Insurance? Yes  No

## G. Claims History

1. Have there been, or is there now pending any suits, claims, or proceedings against the Investment Manager, the Fund(s), or any Director, Officer, Employee, Trustee or agents proposed for coverage? Yes  No

*If yes, please provide full details.*

2. Is the Investment Manager, the Fund(s), or any Director Officer, Employee, Trustee or agents proposed for this insurance aware of any fact, circumstance, situation or Wrongful Act which would fall within the scope of the proposed insurance? Yes  No

*If yes, please provide full details.*

3. Has any claim been made under any prior or current insurance policies in the last six (6) years, providing coverage to the Investment Manager, the Fund(s), or any Director, Officer, Employee, Trustee or agents for this insurance, or has notice been given to any company providing such coverage? Yes  No

*If yes, please provide full details.*

**In respect to Questions G1, G2 and G3, it is agreed that if the Investment Manager, the Fund(s), or any Director, Officer, Employee, Trustee or agents are aware of any such suit, claim, proceeding, fact, circumstance, situation or Wrongful Act, any claim subsequently arising therefrom will not be covered under this policy.**

4. Has any insurer refused, cancelled or non-renewed coverage? Yes  No

*If yes, please state reasons:*

## H. Existing Policies and Cover Required

1. Provide the following information of existing insurance policies for the Investment Manager:

	Insurer	Limit	Deductible	Expiry Date
Professional Indemnity: - Investment Manager				
Directors' and Officers' Liability - Investment Manager - Fund(s)				

2. Effective Date of coverage:

3. Coverage requested:

Professional Indemnity: - Investment Manager	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Directors' and Officers' Liability Insurance - Investment Manager	Yes <input type="checkbox"/>	No <input type="checkbox"/>
- Fund(s)	Yes <input type="checkbox"/>	No <input type="checkbox"/>

4. Limit of Liability – Aggregate each Policy Period
5. Deductible Required

## Declaration

*Must be signed by Chairman or Chief Executive*

I/we declare that to the best of my/our knowledge or belief, the statements and particulars given in this application are true and complete and that no material facts that are likely to influence the acceptance and assessment of this proposal have been withheld. (If you are in any doubt as to whether a fact is material, you should disclose it.) I/we agree to inform Travelers Insurance Company Limited of any change to any material fact.

I/we also declare that if any information on this application has been written by another person on my/our behalf, that person acted as my/our agent for that purpose. I/we agree that this application and declaration shall be the basis of the contract between me/us and Travelers Insurance Company Limited.

**Signature of the proposer**  
(Chairman or Chief Executive)

	Date
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**Print name and position held**

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**For and on behalf of**  
(Insert name of Company/Firm)

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**NO COVER IS IN FORCE UNTIL THIS PROPOSAL HAS BEEN ACCEPTED BY THE COMPANY AND THE PREMIUM PAID, EXCEPT AS PROVIDED BY AN OFFICIAL COVERING NOTE ISSUED BY THE COMPANY.**

**PLEASE RETAIN A COPY OF THIS COMPLETED PROPOSAL FORM FOR YOUR RECORDS.**

### Using Personal Information

Personal information which you supply to us may be used in a number of ways, for example:

- when considering an application;
- in conducting our relationship with you;
- underwriting insurance coverage;
- managing any policy issued;
- preventing and detecting fraud;
- providing risk management advice; and
- administering claims.

We may pass the information to members of the Travelers group, our reinsurers, professional advisers, loss adjusters or agents for these and other lawful purposes or as required by law, including providing the information to government or regulatory authorities. This may involve its transfer to countries which do not have data protection laws equivalent to those in the United Kingdom in which case we shall ensure that the information is appropriately protected. We may also share the information with, and obtain information about you and/or your employees or agents from, credit reference agencies and/or fraud prevention agencies.

For further information on how the information is used, how we maintain security of the information, and your rights to access information we hold on you and/or your employees and/or agents, please contact the Company Secretary at Travelers Insurance Company Ltd, Exchequer Court, 33 St Mary Axe, London EC3A 8AG or see our Privacy Policy at [travelers.co.uk](http://travelers.co.uk).

By making an application for insurance you agree that all persons to whom the information relates consent to the processing and transfer of information described in this notice. You also confirm that you have taken all necessary steps to inform them of disclosure of information to us for the purposes described above.



**Details of Investment Manager's Activities (Question A.4)**

	<b>Current Year</b>	<b>Previous Year</b>
Number of Investors		
Split of Investors by domicile		
% UK		
% US		
% Europe		
% Asia Pacific		
% Australia/New Zealand		
% ROW		
Split of Investors - % Institutional or Qualified Buyer / % Retail	%	%
Total Asset Value of All Managed Accounts		
Asset Value of Largest Account		
Total Number of Accounts Lost in Previous 12 Months		
Total Value of Accounts Lost in Previous 12 Months		
Total Fee Income (split % Management Fee / % Performance Fee).	%	%
Any High Water Mark and or Hurdle Rate?	HWM? %	HR? %
% Discretionary Accounts / % Non-Discretionary Accounts	HWM? %	HR? %

This information is attached to and forms a part of the Proposal

**Schedule of Proposed Funds to be Insured (Question B.1)**

Name	Date Established	Listed or Unlisted Fund	Discretionary or Non-discretionary Management	Total FUM This Year	Total FUM Previous Year	Total Number of Investors	Number & % of Investors with 5%+ Holding	% Institutional/Qualified Investors	% Investors from following Domiciles:		
									% US	% UK	% EUROPE ROW

This information is attached to and forms a part of the Proposal

**Schedule of Portfolio Companies & Outside Directors (Question C)**

Name of Portfolio Proposer	Date Established	Domicile	Ownership (Listed/unlisted)	Total Revenue This Year	Profit/(Loss) This Year	Proposer Activity	% Owned By Fund	No. of Directors on Board/Majority?	D&O Insurance	D&O Limit & Insurer

This information is attached to and forms a part of the Proposal

