



Investment Professionals Protector Proposal Form

Note of Applicant

Please note that this proposal form is being completed by the **Applicant** on behalf of all Insureds (as defined in the policy).

For the purpose of this proposal form:

- **Applicant** means all **Investment Managers** and **Funds**.
- **AUM** means Assets/Funds Under Management.
- **BM** means the Benchmark against which the corresponding **Fund** is measured (where applicable).
- **Fund** means the trusts, investment trusts, funds, partnerships or other similar entities requesting insurance.
- **Investment Advisory Services** includes investment advisory services.
- **Investment Banking** means mergers and acquisitions, corporate advisory/finance, facility issuance, corporate restructuring or securities underwriting.
- **Investment Manager** means the investment manager/advisor entities requesting insurance and their Subsidiaries (as defined in the policy).
- **NAV** means Net Asset Value.
- **Proposal** means this signed proposal form, the statements, warranties, and representations herein and all attached supplementary information and materials.

Please provide all monetary amounts in US\$ when completing the questions below.



1. Investment Manager Details:

1.1 Is cover sought only in relation to a **Fund**?

☐ Yes

☐ No

If 'Yes', please proceed to Section 2 '**Fund** Details'.

1.2 **Investment Managers** (please attach an additional sheet as necessary):

Name of Investment Manager	Main address	Country of registration	Date established	Annual Fee for Investment Management Services		Any Other Income		Income derived from the US or US domiciled investors	
				Current Year, 200__	Previous Year, 200__	Current Year, 200__	Previous Year, 200__	Current Year, 200__	Previous Year, 200__

- 1.3 Please provide a detailed description of the business activities for each **Investment Manager** listed above:

- 1.4 (a) Please explain sources of 'other income' above: _____

(b) Does any **Investment Manager** provide **Investment Banking** services? ☐ Yes ☐ No

If 'Yes', please provide the percentage of **Investment Banking** income out of the total income: _____%

- 1.5 Are all **Investment Managers** authorised to conduct **Investment Advisory Services** in all jurisdictions in which they are active? ☐ Yes ☐ No

If 'No', please explain: _____

- 1.6 Does any **Investment Manager** provide **Investment Advisory Services** in the United States or Canada or are they registered with the U.S. Securities and Exchange Commission ('SEC') under the Investment Advisors Act of 1990? ☐ Yes ☐ No

If 'Yes', please provide the date of registration: _____

- 1.7 (a) Has any **Investment Manager** taken over the management of any **Fund** within the last 12 months? ☐ Yes ☐ No

(b) If 'Yes', please describe how that **Investment Manager** protected itself from the liabilities of the previous investment advisor(s) which it succeeded?

- 1.8 Does any **Investment Manager** have a 'parent' (entitlement to greater than 50% of the ownership interests in the **Investment Manager**)? ☐ Yes ☐ No

If 'Yes', please provide the name and place of incorporation of the 'parent':



2.1 Please detail for all **Funds** proposed for insurance or managed by an **Investment Manager** (please attach an additional sheet as necessary):

[illegible]

3. General Applicant Questions

Please complete the following section in respect of the **Applicant** (note that **Applicant** means all **Investment Managers** and **Funds**).

- 3.1** Has the **Applicant** been involved in, or been the subject of, any merger, acquisition, tender offer, buy-out or change in equity structure in the past 5 years? ☐ Yes ☐ No

If 'Yes', please provide full details: _____

- 3.2** Is the **Applicant** or any of its directors or officers aware of any plans for a merger, acquisition, tender offer, buy-out or a change in equity structure? ☐ Yes ☐ No

If 'Yes', please provide full details on a separate sheet.

- 3.3** Please detail the following in respect of the **Applicant**:

		<i>Current Year, 20</i>	<i>Previous Year, 20</i>
(a)	Total AUM :		
(b)	Total AUM in Funds :		
(c)	Total AUM in private client mandates or managed on a sub-advisory basis:		
(d)	Asset value of the largest account:		
(e)	Total number of accounts lost:		
(f)	Total value of lost accounts:		
(g)	Total AUM managed on a discretionary basis:		
(h)	Total AUM managed on a non-discretionary basis:		
(i)	Estimate of the percentage of the AUM invested in listed securities:		
(j)	Estimate of the percentage of the AUM invested in unlisted- securities/private equity/venture capital:		
(k)	Estimate of the percentage of the AUM invested in real property assets:		
(l)	Estimate of the percentage of the AUM invested in derivatives or a specialist investment strategy (including hedge funds):		

3.4 Please provide the percentage split of investor base by type out of total **AUM** in respect of the **Applicant**:

	<i>Type of Investor</i>	<i>Current Year, 20</i> <input type="text"/>	<i>Previous Year, 20</i> <input type="text"/>	<i>Minimum Accepted Investment</i>
(a)	Governments:			
(b)	Corporates/Financial Institutions:			
(c)	Trusts/Family Trusts:			
(d)	High Net Worth Individuals/Accredited Investors (Non-US domiciled):			
(e)	High Net Worth Individuals/Accredited Investors (US domiciled):			
(f)	Non-accredited/Retail Investors (Non-US domiciled):			
(g)	Non-accredited/Retail Investors (US domiciled):			
(h)	Others, (please specify): _____			

3.5 Does the **Applicant** have procedures and systems in place to ensure:

- | | | |
|--|------------------------------|-----------------------------|
| (a) transaction decisions/executions are appropriately approved when the chief investment officer is unavailable? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| (b) trading policies and dealing limits are clearly defined and communicated to relevant employees and subsequently enforced? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| (c) any unauthorised trading or trading errors are identified, monitored and, where necessary, rectified as they occur? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| (d) counter-parties receive authorised confirmation for all deals prior to settlement? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| (e) a formalised due diligence process is followed when assessing any given investment strategy? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| (f) suitable financial advice is given and recommendations are made according to investors' objectives/risk aversion? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| (g) investments are periodically substantiated and evaluated against recorded values independent of the Fund Manager or dealer? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| (h) redemption requests are processed correctly, without the risk of fraudulent redemptions, in a timely manner, and funds are remitted correctly? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| (i) compliance by all employees with applicable laws, principles, codes and guidelines? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

(j) employee trading accounts are tracked? ☐ Yes ☐ No

If the response to any of the above is 'No', please provide full details on a separate sheet.

3.6 Are all publications, marketing literature, or other product services communications (electronic or documentary), subject to sign off by the business unit manager, compliance and legal department? ☐ Yes ☐ No

If 'No', please provide full details on a separate sheet.

3.7 (a) Does the **Applicant** use standard written agreements/contracts/letters of offer setting out the terms and conditions of the services provided? ☐ Yes ☐ No

(b) If 'Yes', do all such agreements/contracts/ letters of offer contain indemnities/limitations on the **Applicants** liability? ☐ Yes ☐ No

If the response to either of the above is 'No', please provide full details on a separate sheet.

3.8 (a) Does the **Applicant** appoint any agents to distribute units of **Funds**? ☐ Yes ☐ No

(b) If 'Yes', does the **Applicant** regularly monitor/audit the quality of service and advice provided by such agents? ☐ Yes ☐ No

3.9 Have there been any changes or modifications to the investment restrictions or limitations of any investment **Fund** during the past 2 years? ☐ Yes ☐ No

If 'Yes', please provide full details on a separate sheet.

3.10 Have there been any material changes in the administrative operations or investment policies of any **Applicant** during the past 2 years? ☐ Yes ☐ No

If 'Yes', please provide full details on a separate sheet.

3.11 Does the **Applicant** foresee any **Fund** being liquidated or restructured over the next 12 months? ☐ Yes ☐ No

If 'Yes', please provide full details on a separate sheet.

3.12 Does the **Applicant** impose redemption fees on investors who redeem shares/units in a **Fund** within a short period of time? ☐ Yes ☐ No

If 'No', please provide how 'market timing' (the practice of making short-term purchases and sales of **Funds**) is discouraged:

3.13 Does the **Applicant's** computer system automatically 'prevent' breaches of investment mandates or engagement letters? ☐ Yes ☐ No

If 'No', please detail how such breaches are prevented: _____

3.14 Does the **Applicant** have an employee Handbook/Manual? ☐ Yes ☐ No

If 'Yes':

(a) does it contain written instructions on all aspects of your business? ☐ Yes ☐ No

(b) does it clearly define the individual duties of each employee? ☐ Yes ☐ No

(c) does it address security procedures (including electronic data security)? ☐ Yes ☐ No

(d) does it address personal trading practices of employees and other persons who have access to information about portfolio holdings of **Funds** (including pre-clearance of personal account trades, 'blackout' periods, limitations on short-term trading, use of non-public information)? ☐ Yes ☐ No

3.15 Please provide the following in respect of the **Applicant**:

(a) name of external auditor: _____

(b) frequency of external audits: _____

(c) number of dedicated internal audit staff: _____

3.16 Have all recommendations from the most recent external auditors review been implemented? ☐ Yes ☐ No

If 'No', please provide details of any outstanding matters and a timeline for completion on a separate sheet.

3.17 (a) Name of external law firms routinely acting for the **Applicant**: _____

(b) Please detail the type of work for which external law firms are typically engaged: _____

3.18 Has the **Applicant** or any entity proposed for insurance, or any of its directors, officers, partners or employees been subject to any regulatory investigation in the last 5 years? ☐ Yes ☐ No

If 'Yes', please provide details on a separate sheet including details of any resulting disciplinary proceedings, admonishments or recommendations.

3.19 If applicable, are all recommendations made following a regulatory visit fully implemented? ☐ Yes ☐ No

If 'No', please provide details on a separate sheet.

4. Insurance History

4.1 Please provide the following information/details for pre-existing insurance policies:

Type	Insurer	Limit (\$,000)	Deductible (\$,000)	Period
(a) Directors Officers Liability:				
(b) Professional Indemnity:				
(c) Fidelity:				

4.2 Has any insurer ever cancelled or non-renewed any insurance policy held by the **Applicant** of the type listed above? ☐ Yes ☐ No

If 'Yes', please explain:

5. Claims Information

This Section **MUST** be completed by the Applicant.

5.1 Is the **Applicant** aware, after full enquiry, of any form of client complaint (brought by a client, or on their behalf by a regulator)? ☐ Yes ☐ No

If 'Yes', please provide full details on a separate sheet.

5.2 Has any claim been brought against the **Applicant** or any of its directors, officers, partners, trustees or employees during the last 5 years? ☐ Yes ☐ No

If 'Yes', please provide full details on a separate sheet.

5.3 Does the **Applicant**, or any of its directors, officers, partners, trustees or employees, after full enquiry, have any knowledge of any act, omission, event or circumstance which could give rise to a claim? ☐ Yes ☐ No

If 'Yes', please provide full details on a separate sheet.

6. Required Information

Please enclose with this proposal form:

- The latest Annual Report and Financial Accounts of the **Applicant**. ☐
- A copy of standard engagement letters and/or service agreements. ☐
- An organisational chart. ☐
- A copy of the latest performance report for each **Fund**. ☐
- The Prospectus/Information Memorandum for each **Fund**. ☐
- CV's/Resume's for all Directors of the **Applicant**. ☐
- Any supplementary information which is material to any questions herein (on the **Applicant's** company letterhead paper) ☐

7. Declaration

The undersigned authorised Chairman of the Board, President or General Partner of the **Applicant**:

- declares that this **Proposal** has been completed after full enquiry and that the statements and particulars herein are true and that no material facts have been misstated or omitted; and
- agrees that if the information supplied in this **Proposal** changes between the date of this **Proposal** and the effective date of the insurance, he/she (undersigned) will, in order for the information to be accurate on the effective date of the insurance, immediately notify the Insurer of such changes, and the Insurer may withdraw or modify any outstanding quotations and/or authorisations or agreements to bind the insurance; and
- agrees that this **Proposal** shall be the basis of the contract should a policy be issued, and it will be attached to and become part of the policy.

Signed

Title

(Must be signed by Chairman of the Board, President or General Partner)

Company

Date

Signing this proposal form does not oblige the Applicant to purchase any insurance.