

ALPHA BY CHUBB INSURANCE FOR INVESTMENT MANAGERS

At Chubb we understand that investment management is a difficult business. Investment managers seek alpha returns for their clients in highly competitive and constantly evolving financial markets. The pressure to perform creates enormous demands on their time. In addition they face an increasingly complex maze of regulatory requirements, not to mention the business threats posed by exposure to litigation and fraud.

Chubb has unrivalled expertise in the underwriting of investment management businesses and has designed a new product to help them deal with these issues and exposures in an effective and efficient fashion. We've called the product Alpha because, like the alpha returns that investment managers seek for their clients, Alpha by Chubb outperforms the market.

What Is Alpha by Chubb?

Alpha by Chubb is a packaged insurance policy which allows the investment manager to choose any combination from the following covers:

- Professional Liability Insurance
- Directors and Officers Liability Insurance
- Crime Insurance

Each cover is designed to meet the particular exposures prevalent in the investment management industry.

What Are The Benefits of Alpha By Chubb For Investment Managers?

Time Saving

Short Proposal Form - our expertise in investment management translates into a concise proposal form, with no unnecessary questions.

No Need To List Funds - in most cases the policy provides automatic cover for all funds (whether existing at inception of the policy or created or acquired after inception). This makes the insurance decision a once a year event, regardless of changes to the business in the interim.

Coverage Summaries - Alpha by Chubb comes with concise but meaningful summaries of the coverages available. These provide straightforward briefing notes for busy investment managers to help them understand how the policy operates.

Regulatory Exposure Coverage

Formal Investigations Cover - both the Professional Liability and Directors and Officers coverage sections expressly cover formal investigations, including those brought by regulators.

Audit Expense - the Crime coverage section covers the cost of audits required by regulators following the discovery of a fraud.

Crisis Expenses - the Professional Liability Coverage Section provides cover up to the sub-limit of liability for expenses in retaining a public relations firm following a formal investigation (including regulatory investigations) or death or resignation of a key man.

General Terms and Conditions Features

Non Rescindable - the policy contains a non avoidance provision for misrepresentation or non disclosure in the Proposal (fraudulent or otherwise).

Extended Reporting Period - an additional period for the reporting of Claims after expiry of the policy period is available.

Changes In Exposure - cover in respect of entities acquired or divested during the policy period.

Professional Liability Coverage Features

Dedicated Additional Limit for Executives - a separate and additional limit of liability for executives up to a negotiated amount. This dedicated limit remains available for the protection of executives even after the policy limit has been eroded by the payment of professional liability claims.

Broad Coverage Grant - the policy covers investment management activities conducted in respect of funds and pursuant to mandates, and cover specifically includes:

- forming, capitalising, operating and marketing a fund;
- portfolio management and asset allocation;
- professional supervision;
- administration, custody, registry, responsible entity and trustee services;
- publications written by the investment manager for clients or investors.

Insured Persons- include:

- advisory board and board committee members;
- compliance committee members;
- directors, officers, responsible officers and employees;
- consultants;
- in house superannuation fund trustees.

Automatic New Fund Cover - at least 90 days (and in most cases unlimited) automatic cover for all newly created funds during the policy year

Fund Reimbursement Cover - pays on behalf of a fund where an insured is entitled to indemnity from fund assets.

Cover for the Acts of Agents - the policy covers loss arising from the acts of outside service providers and other persons for whose acts the insured is legally responsible.

Punitive, Exemplary, Aggravated and Multiplied Damages - the policy covers loss arising from all of the above.

Loss of Documents - covers liability up to the sub limit of liability arising from loss or damage to documents in the insured's custody.

Emergency Defence Costs - covers defence costs incurred without the insurer's consent because of an emergency.

Breach of Privacy Cover - express cover for loss arising from breach of client privacy.

Flexible cover for Fund Structures - coverage applies to fund structures such as unit trusts, managed investment schemes, investment companies and partnerships.

Crime Insurance Coverage Features

Five Insuring Clauses -cover is available for each of the following:

- losses caused by employee dishonesty or fraud;
- loss sustained by clients as a result of employee fraud or dishonesty;

Five Insuring Clauses -cover is available for each of the following (cont'd)

- losses caused by third party computer fraud;
- expenses for:
 - cost of audits required by regulators after fraud losses;
 - investigative costs following employee fraud losses;
 - computer violation expenses
 - following computer fraud losses;
- defence costs cover

D&O Coverage Features

Broad Cover

- dedicated additional limit of liability for directors and officers is available;
- investigation costs cover;
- optional entity securities claims cover;
- pollution defence costs cover;
- shareholder pollution actions cover;
- pecuniary penalties cover;
- occupational health and safety defence costs cover;
- outside directorship liability cover;
- retired directors cover;
- 84 month run-off quote in the event of acquisition of the insured;
- emergency defence costs cover.

The Chubb Advantage

Expertise - Chubb's Department of Financial Institutions is home to a wealth of underwriting expertise.

Financial Stability - Chubb's financial stability and claims paying ability rate amongst the best in the industry.

Claims - Chubb's claims examiners are specialists committed to high levels of professionalism and integrity.

Chubb Insurance Company of Australia Ltd

ABN 69 003 710 647 AFS Licence Number 239778

Sydney Level 29, Citigroup Centre, 2 Park Street, Sydney NSW 2000 Tel (02) 9273 0100 Fax (02) 9273 0101

Melbourne Level 14, 330 Collins Street, Melbourne VIC 3000 Tel (03) 9242 5111 Fax (03) 9629 7417

Perth Level 22, Exchange Plaza, 2 The Esplanade, Perth WA 6000 Tel (08) 6211 7777 Fax (08) 9325 7730

Brisbane Level 24, 12 Creek Street, Brisbane QLD 4000 Tel (07) 3229 4488 Fax (07) 3221 1677

<http://www.chubb.com/international/australia/csi/chubb4317.html>

Disclaimer: For promotional purposes, Chubb and Chubb Insurance refers to member insurers of the Chubb Group of Insurance Companies. Coverage is underwritten by the Chubb Insurance Company of Australia Ltd, AFS Licence Number 239778. This information is descriptive only. The precise coverage afforded is subject to the terms and conditions of the insurance policy when issued. Chubb recommends considering our policy wording in deciding whether to acquire or to continue to hold Chubb insurance products.