

# Elite Investment Management Insurance

## Proposal Form

CHUBB®

### Important Notices

Statement pursuant to Section 25 (5) of the Insurance Act (Cap. 142) (or any subsequent amendments thereof) - You are to disclose in this Proposal Form fully and faithfully all facts which you know or ought to know, otherwise the policy issued hereunder may be void.

#### **Your Duty of Disclosure**

Before you enter into a contract of general insurance with an insurer, you have a duty to disclose to the insurer every matter within your knowledge that is material to the insurer's decision whether to accept the risk of the insurance and, if so, on what terms.

This duty is in addition to your duty to answer fully and accurately the questions set out on the proposal form.

You have the same duty to disclose those matters to the insurer before you renew, extend, vary or reinstate a contract of general insurance.

Your duty however does not require disclosure of any matter:

- that diminishes the risk to be undertaken by the insurer,
- that is of common knowledge;
- that your insurer knows or, in the ordinary course of its business, ought to know;
- as to which compliance with your duty is waived by the insurer.

It is important that all information provided in support of your application for insurance is understood by you and is correct, as you will be bound by your

answers and by the information provided by you. If you do not understand any part of this notice, you should obtain independent advice.

Your duty of disclosure continues after your application for insurance has been completed up until the contract of insurance is entered into.

#### **Consequences of Non-Disclosure**

If you fail to comply with your duty of disclosure, Chubb may have the option of avoiding the contract from its beginning.

If your non-disclosure is fraudulent, Chubb may also have the right to keep the premium that you have paid.

#### **Change of Risk or Circumstances**

You should advise Chubb as soon as practicable of any change to your normal business as disclosed to Chubb prior to entering into the contract of insurance. This includes every change materially affecting the facts or circumstances existing at the commencement of this insurance, or at any subsequent renewal date.

#### **Subrogation**

Where you have agreed with another person or company, who would otherwise be liable to compensate you for or contribute towards any loss or damage which is covered by the Policy, that you will not seek to recover such loss or damage or contribution from that person, Chubb will not cover you, to the extent permitted by law, for such loss or damage or contribution.

## Instructions to the Applicant

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### Completing the Proposal Form

- Please note that this proposal form is being completed by the Applicant on behalf of all the Insureds to be covered and as defined in the Policy. The reference to Applicant means the Principal Organisation and its Subsidiaries, as defined in the Policy.
- Please read the Important Notices on page 1.
- 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:

- Latest prospectus, product disclosure statement, or offering memorandum to members of each of the Funds;
- Latest investment performance information for each Fund and mandate;
- Independent analyst reports for the Funds;
- Copy of standard contract(s) for customer mandates;
- Latest audited annual reports and interim reports of the Applicant; and
- Organisational Chart.

### 1. Applicant Details

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(a) Name of Applicant \_\_\_\_\_

(b) Principal Address \_\_\_\_\_

(c) Web Address \_\_\_\_\_

(d) Date Established \_\_\_\_\_

(e) Nature of the Business of the Applicant \_\_\_\_\_

(f) Is the Applicant licensed by any regulatory authority?  Yes  No

If **Yes**, please list the regulatory authorities \_\_\_\_\_

(g) What is the total consolidated asset size of the company? \_\_\_\_\_

(h) Is the Applicant a Fund of Funds?  Yes  No

(i) For Asset Managers and Private Equity(ies),

i. What is the total funds under management? \_\_\_\_\_

ii. What is the percentage of assets that are placed in to fund of funds? \_\_\_\_\_ %

iii. Does the applicant earn revenue using Quant or High Frequency Trading Models?  Yes  No

If **Yes**, what is the percentage earned from Quant or High Frequency Trading Models? \_\_\_\_\_ %

(j) Please provide Investor Profile of the Applicant.

Percentage By Type	Current Year (%)	Previous Year (%)
High Net Worth Individuals (HNWIs) and Family Offices		
Pension Funds		
Institutional		
Retail Investors		
Others (please specify):		

(k) Please provide investor split by country/region of the Applicant.

Singapore	Other Asia	Australia / NZ	Europe	USA / Canada	Others	Total
%	%	%	%	%	%	<b>100%</b>

## 2. Ownership

(a) Is the Applicant:

- i. Listed on any stock exchange?  Yes  No
- ii. Listed on any unlisted securities market or exempt exchange?  Yes  No
- iii. Traded in any other way?  Yes  No

If **Yes**, please provide full details: Stock code; what exchange they are listed on; and type of security traded on that exchange.

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(b) Please detail any shareholder or associated group of shareholders who own or control, directly or indirectly, more than 10% of the ordinary share capital of the Applicant:

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## 3. Material Change in Subsidiaries

(a) Is the Applicant or any individual proposed for coverage aware of any actual (last 12 months) or future acquisition, merger or creation of a new subsidiary:  Yes  No

If **Yes**, please list any subsidiaries:

- i. that have increased the asset size of the Applicant's total assets by more than 20% based on the latest audited consolidated financial statements or annual report:

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- ii. that are domiciled inside of, and principally active in the United States of America or its Territories:

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iii. that are registered as Investment Advisors with the U.S. Securities and Exchange Commission:

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**4. Information Relating to Investment Managers and/or Funds**

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(a) Please complete the attached Details of Investment Managers Activities on page 14.

(b) Please complete the attached Schedule of Funds on page 15.

(c) Is the Applicant or any individual proposed for coverage aware of any actual (last 12 months) or future acquisition, creation or incorporation of a new Fund:  Yes  No

If **Yes**, please list any Funds:

i. that are regulated by the U.S. Securities and Exchange Commission:

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ii. whose investment strategies are materially different in their nature to those of the existing Funds:

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(d) Do customers of the Investment Manager complete a written document which clearly identifies and states the customer's investment objectives?  Yes  No

(e) 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.

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

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(g) Are customers permitted to select their own broker?  Yes  No

(h) Are customer's transactions managed by an in-house broker?  Yes  No

(i) 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

Please describe the disclosure arrangement.

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(j) Do you utilise a custodian or trustee?  Yes  No

If **Yes**, please state the name of the custodian or the trustee and the functions it performs on behalf of the Investment Manager.

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(k) Is cover required for any appointed agents to act in connection with the Funds?  Yes  No

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

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(l) Are shares of any Funds sold or investment advisory services offered to investors residing outside of Singapore?  Yes  No

If **Yes**, please provide full details.

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(m) Have there been any changes or modification in the investment restrictions or limitations of any Fund within the past 2 years?  Yes  No

If **Yes**, please provide full details.

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(n) 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.

(o) Does the Applicant have formal Compliance and Disaster Recovery Plans in place?  Yes  No

## **5. Employees and Locations**

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(a) Number of offices in Singapore \_\_\_\_\_

(b) Are any of the Applicant's offices located outside of Singapore?  Yes  No

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

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(c) Number of employees in Singapore \_\_\_\_\_

(d) Number of employees outside Singapore \_\_\_\_\_

## 6. Service Providers / Agents

Please provide the list of the Applicant's service providers or agents based on the following functions:

Function	Name of Service Provider / Agent
Fund Manager	
Trustee	
Custodian	
Administrator	
Stockbroker	
Others	

(a) Are all agents / service providers:

- i. appointed under a written contract?  Yes  No
- ii. vetted for financial stability, competency and honesty before being approved?  Yes  No
- iii. required to hold and maintain their own Professional Indemnity Insurance?  Yes  No

## 7. Audit

### Internal Audit:

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

- i. If **Yes**, how often are full internal audits conducted? \_\_\_\_\_
- ii. If **No**, please explain: \_\_\_\_\_

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

If **No**, please explain \_\_\_\_\_

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

If **No**, please explain \_\_\_\_\_

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

If **No**, please explain \_\_\_\_\_

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

If **No**, please explain \_\_\_\_\_

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

If **No**, please explain \_\_\_\_\_

- (g) 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:**

- (a) State the names of the external auditors who fully audit your accounts \_\_\_\_\_

- (b) How often are full external audits conducted? \_\_\_\_\_

- (c) Does the audit include all offices and branches, including Data Processing offices?  Yes  No

If **No**, what form does the audit take? \_\_\_\_\_

- (d) Does the external auditor:

- i. regularly review the system of internal control and furnish written reports?  Yes  No

If **No**, please explain \_\_\_\_\_

- ii. report directly to the Audit Committee of the Board of Directors?  Yes  No

If **No**, please explain \_\_\_\_\_

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

- (f) Has there been any change in the firm used by the Applicant in the last five (5) years?  Yes  No

If **Yes**, please explain \_\_\_\_\_

- (g) 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

**8. Legal Counsel**

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- (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? \_\_\_\_\_

- (d) 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 Investment Manager's liability?  Yes  No

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

If **No**, please provide details:

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## 9. Internal Controls and Procedures

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- (a) Does the Applicant have procedures and systems in place to ensure:
- i. transaction decisions/executions are appropriately approved when the chief investment officer is unavailable?  Yes  No
  - ii. trading policies and dealing limits are clearly defined and communicated to relevant employees and subsequently enforced?  Yes  No
  - iii. any unauthorised trading or trading errors are identified, monitored and, where necessary rectified as they occur?  Yes  No,
  - iv. counter-parties receive authorised confirmation for all deals prior to settlement?  Yes  No
  - v. a formalised due diligence process is followed when assessing any given investment strategy?  Yes  No
  - vi. suitable financial advice is given and recommendations are made according to investors' objectives/risk aversion?  Yes  No
  - vii. investments are periodically substantiated and evaluated against recorded values independent of the Investment Manager or dealer?  Yes  No
  - viii. redemption requests are processed correctly, without the risk of fraudulent redemptions, in a timely manner, and funds are remitted correctly?  Yes  No
  - ix. compliance by all employees with applicable laws, principles, codes and guidelines?  Yes  No
  - x. 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.

- (b) Does the Applicant's computer system automatically prevent breaches of investment mandates or engagement letters?  Yes  No

If **No**, please provide details on how such breaches are prevented:

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## 10. Queries Relating To Crime Insuring Clause

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**Note: Please only respond to Question 10 if purchasing Crime Insuring Clause**

(a) In respect to the transfer of funds or property to another organisation:

i. Please describe the method of instruction, for example, written, telephone, electronic, etc:

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ii. Are these instructions tested or subject to a call back procedure to an authorised person other than the individual initiating the transfer?  Yes  No

If **No**, please provide full details.

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(c) Does the Applicant conduct an independent check of the employment history of any new employees prior to being recruited?  Yes  No

(d) Are duties segregated so that no individual can complete an activity from the beginning to the completion of the task without referral to another in respect of:

i. Opening new bank accounts  Yes  No

ii. Disbursement of assets  Yes  No

iii. Signing cheques or authorising payments greater than \$10,000  Yes  No

iv. Custody of securities  Yes  No

If **No**, please provide details as to alternative arrangements:

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## 11. Outside Directorship Cover

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**Note: Outside Directorship means the position of director or officer held by any proposed insured person in an Outside Organisation at the request of the Applicant. An Outside Organisation is a company which is not a subsidiary of the Applicant and in which the Applicant holds up to 50% of the issued and outstanding voting shares or is a not for profit entity.**

**The cover afforded will be excess of any indemnity provided by the Outside Organisation and in excess of any cover provided under the Outside Organisation's insurance policy or policies.**

- (a) Are there any directors, officers or employees that hold an Outside Directorship position in an Outside Organisation?  Yes  No

If **Yes**, please complete the following for each Outside Directorship:

- i. Does any Outside Organisation have any securities listed or traded on any exchange in the United States of America or its Territories?  Yes  No

If **Yes**, please provide details:

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- ii. Does any Outside Organisation have total liabilities exceeding total assets (other than Non Profit Organisations)?  Yes  No

If **Yes**, please provide details:

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- iii. Does the Outside Organisation derive more than 20% of its revenue from investment banking, hedge funds or private equity Investments?  Yes  No

If **Yes**, please provide details:

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- (b) Are any of the Outside Organisations or its directors and officers aware of any claim or circumstances that could give rise to a claim relating to the Outside Organisation?  Yes  No

If **Yes**, please provide full details separately.

## 12. Continuous Disclosure

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- (a) Does the Applicant or listed Funds have written procedures and protocols in place to ensure the Applicant or listed Fund complies with any continuous disclosure obligations arising pursuant to any legislation, listing rules or other law?  Yes  No

If **Yes**, are all relevant directors, officers or employees:

- i. Provided with a copy of the manual and/or guidelines?  Yes  No

- ii. During the past 2 years, have all relevant directors, officers and staff received regular training in relation to their continuous disclosure obligations?  Yes  No

(b) Who is responsible for ensuring compliance with continuous disclosure obligations?

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### 13. Optional Extension

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#### Securities Entity Cover

Coverage is afforded under this extension to the Applicant for claims made against the entity arising out of the sale or purchase of the Applicant's securities.

Would you like Chubb to provide a quotation for this extension to the policy?  Yes  No

### 14. Insurance Details

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(a) Does the Applicant currently purchase Investment Management Insurance?  Yes  No

If **Yes**, please provide the following information:

i. Insurer \_\_\_\_\_

ii. Limit of Liability \_\_\_\_\_

iii. Deductible \_\_\_\_\_

iv. Expiry Date \_\_\_\_\_

(b) What coverage is now required?

Directors' and Officers' Liability  Yes  No

Professional Indemnity  Yes  No

Crime  Yes  No

(c) What Limit of Liability is required for each section?

Directors' and Officers' Liability \_\_\_\_\_

Professional Indemnity \_\_\_\_\_

Crime \_\_\_\_\_

What Aggregate Limit of Liability is required for each Policy Period? \_\_\_\_\_

What Deductible is required? \_\_\_\_\_

### 15. Claims / Circumstances

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(a) Have any claims ever been made against the Applicant or any past or present director, officer or employee of the Applicant?  Yes  No

(b) Is the Applicant, or any director, officer or employee aware, after enquiry, of any fact, circumstance, act or omission which may give rise to a claim?  Yes  No

- (c) Has any past or present director or officer of the Applicant ever been declared bankrupt, had any fine or penalty imposed or been subject to any official investigation, inquiry or examination in such capacity?  Yes  No
- (d) Has there ever been, or is there currently pending, any prosecution of the Applicant, or any director, officer or employee of the Applicant?  Yes  No
- (e) Has the Applicant, or any director, officer or employee of the Applicant, ever had an insurer decline a proposal for, or cancel or refuse to renew, an Investment Management Insurance policy, Directors & Officers Liability Insurance policy, Professional Indemnity Insurance policy, or Crime Insurance policy, or had any special terms or conditions imposed?  Yes  No
- (f) Have any losses been paid on behalf of the Applicant or any past or present director, officer or employee of the Applicant, under any Investment Management Insurance policy, Directors & Officers Liability Insurance policy, Professional Indemnity Insurance policy, or Crime Insurance policy?  Yes  No

**Note: If you answered Yes to any of the above questions, please provide full details.**

## Acknowledgement

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We (the undersigned):

- (a) acknowledge that we have read and understand the Important Notices and Privacy Statement contained in this proposal;
- (b) agree that this proposal, together with any other information or documents supplied, shall form the basis of any resulting contract of insurance;
- (c) acknowledge that if this application is accepted, the contract of insurance will be subject to the terms and conditions as set out in the policy wording as issued or as otherwise specifically varied in writing by Chubb;
- (d) declare after enquiry that the statements, particulars and information contained in this application and in any documents accompanying this application are true and correct in every detail and that no other material facts have been misstated, suppressed or omitted;
- (e) undertake to inform Chubb of any material alteration to those facts before completion of the contract of insurance.

### Section 25(5) of the Insurance Act - Statutory Warning

If you do not fully and faithfully give the facts as you know them or ought to know them, you may receive no benefits from the policy.

### Signed

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Chairperson

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Managing Director / Chief Executive Officer

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Name

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Name

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Date

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Date

**Details of Investment Manager’s Activities (Other Than Funds) - Question 4(a)**

Number of Customers	Current Year	Previous Year
Total Asset Value of All Managed or Mandate Accounts		
Asset Value of Largest Account		
Total Number of Accounts Lost in Previous 12 Months		
Total Value of Accounts Lost in Previous 12 Months		
Percentage of investors who are Institutional Clients		
Percentage of investors who are Retail Clients		
Total Fee Income		
Market value of Discretionary Accounts		
Number of Discretionary Accounts		
Market value of Non-Discretionary Accounts		
Number of Non-Discretionary Accounts		
Percentage Estimate of Assets Under Management invested in listed securities		
Percentage Estimate of Assets Under Management invested in unlisted securities		
Percentage Estimate of Assets Under Management invested in private equity or venture capital:		
Percentage Estimate of Assets Under Management invested in real property assets		
Percentage Estimate of Assets under Management invested in fund of funds		
Percentage Estimate of Assets under Management invested in derivatives		

**Schedule of Proposed Funds to be Insured - Question 4(b)**

Name of Fund	Date Established	Listed or Unlisted	Open or Closed end Funds	Domicile	Total Assets or Funds Under Management (000's)		Benchmark Name	Annualised Growth % (1 Year)		Annualised Growth % (3 Years)		Annualised Growth % (Since Inception)		Maximum Permitted Leverage
					This Year	Previous Year		Fund	Benchmark	Fund	Benchmark	Fund	Benchmark	% of Net Asset Value

Chubb. Insured.<sup>TM</sup>