

# INVESTMENT MANAGEMENT INSURANCE ASSET / FUND MANAGERS PROPOSAL FORM

## IMPORTANT NOTICE

- Answer all questions leaving no blank spaces.
- If you have insufficient space to complete any of your answers, continue on your headed paper.
- **Please attach the following additional information :**
  - Latest audited Financial Statements and Report and any subsequent Interim Report issued
  - Prospectus / Offering Document in respect of each fund
  - Details of the latest and historical investment performance of the managed funds
  - Organisational and ownership chart of entities to be covered
- It is the intention of Underwriters that any Contract of Insurance with the Proposer shall be based upon the answers and information provided in this Proposal Form and any other additional information provided by the Proposer. If a quotation is offered it will be the intention of Underwriters to offer coverage only in respect of those entities named in answer to Question 1.
- Completion of this form does not bind the Proposer or Insurer to complete the insurance transaction.

## 1 | GENERAL INFORMATION

### Details of entities to be insured (the "Proposer")

Proposer's Name:	ID number (if Sole Trader):
.....	
Head Office (Physical Address):	
.....	
	Postal Code:
.....	
Postal Address:	
.....	
	Postal Code:
.....	
Company Reg No:	VAT No:
.....	
Professional Association(s):	
.....	
Contact Person:	Contact number:
.....	
Email:	Website:
.....	
Date Company Established / Services Commenced:	/ /
<b>As currently constituted</b> (If commenced within the past 24 months - Please attach CV of key personnel/Directors/Principals)	
.....	
Date Company Established / Services Commenced:	/ /
<b>As initially established</b>	
.....	
Company Legal Constitution:	Partnership / Private Company / Public Company / Close Corporation / Non-profit Organisation / Government / Sole Proprietor
.....	

## THE POWER OF KNOWLEDGE

**AUTHORISED FINANCIAL SERVICES PROVIDER, LICENCE NUMBER: 6344. APPROVED LLOYD'S COVERHOLDER PIN: 107824DRW**  
Camargue Underwriting Managers (Pty) Ltd. Co. Reg. No. 2000/028098/07.  
33 Glenhove Road, Melrose Estate, 2196. Postnet Suite 250, Private Bag X4, Bedfordview 2008  
Telephone: 011 778 9140, Facsimile: 011 778 9199, E-mail: [camargue@camargueum.co.za](mailto:camargue@camargueum.co.za), Website: [www.camargueum.co.za](http://www.camargueum.co.za)

Underwritten by certain underwriters at Lloyds, Compass Insurance Company Limited and Bryte Insurance Company Limited

## 2 | INSURANCE HISTORY

- 1 Are you in the present or have you in the past been Insured, for the type of Insurance now being proposed?  Yes  No

If Yes, please state: Insurers: \_\_\_\_\_

Limit of Indemnity:	R
Excess:	R
Premium:	R
Date of expiry of coverage:	
Retroactive Date:	

- 2 For the type of Insurance now being proposed, has any Insurer ever:
- i) Required an increased premium or imposed special terms?  Yes  No
- ii) Refused to accept or renew any insurance for the body corporate  Yes  No
- iii) Cancelled the insurance?  Yes  No

If any answer is Yes to any of the above 3 questions, please provide full details


## 3 | REQUIRED COVER

- 1 State the LIMIT OF INDEMNITY and EXCESS required:

Limit	R	R	R
Excess	R	R	R

- 2 Do you require cover in respect of liability incurred but not discovered prior to the effecting of this insurance at a single premium to be negotiated?  Yes  No

## 4 | PREVIOUS LOSSES / EXISTING CIRCUMSTANCES

- 1 Is any Principal, AFTER FULL ENQUIRY, aware of any circumstance which might:
- i) Give rise to a claim against the Proposer, any predecessor or any past or present Principal?  Yes  No
- ii) Cause any loss to the Proposer, any predecessor or any past or present Principal?  Yes  No
- iii) Otherwise affect the consideration of this proposal for insurance?  Yes  No

If Yes, please provide details:


- 2 In respect of ANY of the risks to which this proposal relates, has any Claim been made (whether successful or not) against the Proposer or any past or present Principal?  Yes  No

If Yes, please identify details (including loss date, amount claimed and a brief description):


3 What steps have been taken to prevent a recurrence?


## 5 | ADDITIONAL INFORMATION

1 Has the Proposer been acquired by another entity, merged with or acquired any other business during the last 5 years?

No	<input type="checkbox"/>	Yes	<input type="checkbox"/>	<i>Please Specify:</i>

2 Are any of the entities to be insured listed on any Stock Exchange?

No	<input type="checkbox"/>	Yes	<input type="checkbox"/>	<i>Please advise which Exchange and the date of listing</i>

3 Have there been any offers or negotiations to offer to purchase five percent or more of any class of voting stock of the Proposer in the past two (2) years or are any such offers expected in the future?

No	<input type="checkbox"/>	Yes	<input type="checkbox"/>	<i>Please provide details</i>

4 Has the Proposer or any subsidiary filed within the past eighteen (18) months, or anticipate filing, any new public offerings of shares, debentures or other securities?

No	<input type="checkbox"/>	Yes	<input type="checkbox"/>	<i>Please attach the prospectus and any other applicable documentation</i>

5 i) Role of Insured (eg. Investment manager, investment advisor, fund operator / manager, investment fund, etc.)

ii) Has the Proposer provided any new services to its clients during the past 5 years?

No	<input type="checkbox"/>	Yes	<input type="checkbox"/>	<i>Please provide details on a separate page</i>
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iii) In the last financial year what approximate percentage of the Proposer's total revenues were derived from the following activities?

Barter, Countertrade or Swap Operations	%
Commodity Market Dealings	%
Asset Management	%
Fund Management	%
Insurance Broking	%
Stock Broking	%
Any Other Activity ( <i>Describe on a separate page</i> )	%
<b>Total</b>	<b>100 %</b>

6 i) Please state the number of employees in the following categories

	RSA	Foreign
a. at Head Office		
b. at Branches		
c. at Subsidiaries		
d. at Administration Centre		
<b>Total:</b>		

ii) State the number of locations: .....

iii) What has been the percentage turnover in the following employment categories during the last twelve months?

	Inward	Outward
Directors (including those of Subsidiaries)	%	%
Employees	%	%

## 6 | FUND INFORMATION

1 State, at the dates indicated:

	Currently or at last date of interim report	At last year-end	At previous year-end	No. of Accounts	Value of largest account
Total Funds Under:					
> Discretionary Management	R	R	R		R
> Non-Discretionary Management	R	R	R		R
Gross Revenue / Turnover/ Fees:	R	R	R		

2 Please provide the following information for any Fund for which cover is required:

Fund Name	Launch Date	Retail / Private Investors % split	Current Year NAV	Previous NAV

3 Have there been any redemptions in excess of 10% in the last year?

No	<input type="checkbox"/>	Yes	<input type="checkbox"/>	<i>Please provide details</i>

4 Has any Fund for which cover is required :

- i) Experienced a drop in excess of 30% of its Net Asset Value during any given 12 months?
- ii) Been restructured or is likely to be liquidated or restructured over the next 12 months?

Yes		No	
Yes		No	

If Yes, please provide full details:


5 Please provide a territorial split of investment in each Fund in percentage terms (continued on the next page):

Fund Name	UK & Europe	South Africa	North America	Other (Specify)

6 Please provide a split in percentage terms of the various Funds' investors' domicile:

Fund Name	UK & Europe	South Africa	North America	Other (Specify)

7 Please provide in percentage terms a split of the various Funds' type of investor:

Fund Name	High Net Worth Individual	Institutions	Fund of Fund

8 Please indicate investment strategy mix in respect of all managed Funds:

Strategy	Fund	Strategy	Fund
Commodities		Futures and Options	
Convertible Arbitrage		Index	
Credit		Infrastructure	
Currency (Forex)		Macro	
Emerging Markets		Managed Futures	
Equities (Long Only)		Money Market / Cash	
Equities (Long / Short)		Multi strategy	
Equity (Market Neutral)		Private Bank	
Event Driven		Private Equity	
Exchange Traded		Property	

Strategy	Fund	Strategy	Fund
Fixed Income		Quantitative	
Fund of Funds		Special Purpose Investment	
Fund of Hedge Funds		Special Situations	
Fund of Private Equity Funds		Venture Capital	

9 Please advise maximum level of gearing used as a percentage of NAV for each Fund over the last 12 months:

Fund Name	Gearing

10 Do any investors own directly or beneficially 15% or more of any of the shares or units in any Fund?

No  Yes  *Please provide details on separate page*

11 What is the projected time frame to reach capacity and close?

Fund Name	Anticipated closing date

## 7 | GENERAL

1 Name of regulator \_\_\_\_\_

2 How do you communicate with your investors? \_\_\_\_\_

3 Please advise custodial arrangements \_\_\_\_\_

4 If administration is outsourced, please confirm administration arrangements \_\_\_\_\_

5 Please advise the relationship between the Investment/Fund Manager/Operator and the Investment Advisor \_\_\_\_\_

6 During the last 5 (five) years has the Proposer received any admonishment or critical directive from any regulatory authority?

No  Yes  *Please Specify:*  
 \_\_\_\_\_  
 \_\_\_\_\_

7 i) Has any application made by the Proposer or its predecessors in business for Professional Indemnity Insurance ever been declined?

No  Yes  *Please Specify:*  
 \_\_\_\_\_  
 \_\_\_\_\_



ii) Has any Professional Indemnity policy in the name of the Proposer or its predecessors in business ever been cancelled?

No	<input type="checkbox"/>	Yes	<input type="checkbox"/>	Please Specify:
<div style="border: 1px dotted black; height: 40px; width: 100%;"></div>				

8 What is the estimated maximum capacity of Assets under Management that your existing infrastructure will support without the need to change your current trading methodology, infrastructure, or staffing levels?

9 With respect to Net Asset Value, please advise

- i) Frequency of NAV Calculation : \_\_\_\_\_
- ii) Whether NAV is independently calculated, and by whom? \_\_\_\_\_
- iii) If the NAV is calculated by the Proposer, please explain how valuations are verified? \_\_\_\_\_

## 8 | LEGAL ADVISORS

1 State the names of external legal advisors routinely acting for the Proposer: \_\_\_\_\_

2 Do the legal advisors supply written opinions as to the legality of any change in investment or management policy in connection with trusteeship activities?

Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Yes	<input type="checkbox"/>	No	<input type="checkbox"/>

3 Does the Proposer have an in-house Legal Department?

If so, how many legally qualified individuals does it consist of? : \_\_\_\_\_  
Describe the Legal Department's responsibilities on a separate page.

4 Does the in-house Legal Department offer its services to customers or other Third Parties?

No	<input type="checkbox"/>	Yes	<input type="checkbox"/>	Please Specify:
<div style="border: 1px dotted black; height: 40px; width: 100%;"></div>				

5 Does the Proposer use a standard form of contract, agreement or letter of offer setting out the terms and conditions of the services performed?

Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
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**If Yes,**

i) Are all contracts approved by legal advisors?  Yes  No

ii) Do all contracts provide indemnity and / or limitations to the Proposer's liability?

No	<input type="checkbox"/>	Yes	<input type="checkbox"/>	Please provide details or copies of relevant contract conditions
<div style="border: 1px dotted black; height: 40px; width: 100%;"></div>				

6 Are all publications, marketing material, or other product services communications issued by the Proposer reviewed by the in-house Legal Department and/or outside legal advisers prior to their release to third parties?

Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
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## 9 | DISASTER RECOVERY

1 Does the Proposer have a comprehensive disaster recovery plan?  Yes  No

If No, indicate, on a separate page, the procedures in place for disaster recovery

## 10 | ACTIVITIES

- 1 Does the Proposer undertake trust activities or discretionary account management? 

Yes	<input type="checkbox"/>
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No	<input type="checkbox"/>
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- If Yes,*
- i) Are all clients' agreements reviewed annually? 

Yes	<input type="checkbox"/>
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No	<input type="checkbox"/>
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- ii) Are all trust/discretionary transactions subject to the same procedures and reviews as the Proposer's own account transactions? 

Yes	<input type="checkbox"/>
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No	<input type="checkbox"/>
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- If No, please describe, on a separate page, the procedures and reviews applicable*
- iii) How often are financial reports rendered to clients? .....
- iv) Does the Proposer have an "approved" list of investments/securities which can be recommended to clients? 

Yes	<input type="checkbox"/>
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No	<input type="checkbox"/>
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- 2 Does the Proposer currently maintain a manual containing a written investment policy? 

Yes	<input type="checkbox"/>
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No	<input type="checkbox"/>
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- 3 Are trading transactions and positions reviewed for compliance with a formal trading policies manual? 

Yes	<input type="checkbox"/>
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No	<input type="checkbox"/>
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- 4 Are accounts of trades which exceed set limits identified or rectified or referred to senior management for immediate action? 

Yes	<input type="checkbox"/>
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No	<input type="checkbox"/>
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- 5 Do counterparties receive authorised confirmation for all deals prior to settlement? 

Yes	<input type="checkbox"/>
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No	<input type="checkbox"/>
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- 6 Are responsibilities for investment decisions segregated from accounting activities and custodial responsibilities? 

Yes	<input type="checkbox"/>
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No	<input type="checkbox"/>
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## 11 | EXTERNAL AUDIT

- 1 Do your Auditors regularly review the system of internal control and furnish written reports? 

Yes	<input type="checkbox"/>
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No	<input type="checkbox"/>
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- If Yes, do these reports go directly to the Board of Directors?*

Yes	<input type="checkbox"/>
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No	<input type="checkbox"/>
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- 2 Has the Auditing Firm made any recommendations in the last two audits? 

Yes	<input type="checkbox"/>
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No	<input type="checkbox"/>
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- If Yes, on a separate page, please state recommendations and confirm that they have been adopted. If not adopted, please give reasons for not doing so, alternatively please provide management's response.*
- 3 Has the Auditing Firm rendered an unqualified audit opinion for each of the last five years? 

Yes	<input type="checkbox"/>
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No	<input type="checkbox"/>
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- If No, on a separate page, please give details.*
- 4 Has the Auditing Firm been changed in the last five years? 

Yes	<input type="checkbox"/>
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No	<input type="checkbox"/>
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- If Yes, on a separate page, please give details and explain why the change was made.*
- 5 Has the Proposer complied with all recommendations made as a result of its most recent audit? 

Yes	<input type="checkbox"/>
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No	<input type="checkbox"/>
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- If No, have you adopted alternative arrangements to the satisfaction of your auditor?*
- 6 Are all entities subject to the same external audits and applicable internal controls, procedures and appropriate physical security standards? 

Yes	<input type="checkbox"/>
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No	<input type="checkbox"/>
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- If No, on a separate page, please give details.*

## 12 | INTERNAL AUDIT

- Are the External Auditors satisfied with your Internal Audit programmes/scope/frequency and reporting lines, etc.? 

Yes	<input type="checkbox"/>
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No	<input type="checkbox"/>
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- If No, please explain on a separate page*

## 13 | COMPLIANCE PRACTICES

- Does the Proposer have a Compliance Officer? 

Yes	<input type="checkbox"/>
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No	<input type="checkbox"/>
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- If Yes, please state his/her duties, qualifications and to whom he/she reports, on a separate page. If no, please detail who is responsible for compliance.*



## 14 | SECURITY

Are the External Auditors satisfied with your Security programmes?

 Yes 
 No 

*If No, on a separate page, please explain why.*

## 15 | FUNDS TRANSFER

1 Does the Proposer use or subscribe to any Electronic Funds Transfer System which allow direct access by clients to the Proposer's data base?

 Yes 
 No 

*If Yes, on a separate page, please provide a brief description of the services offered and approximate number of clients.*

2 Does the Proposer use or subscribe to any Electronic Funds Transfer System which allow clients to directly execute a transfer of funds

 Yes 
 No 

*If Yes, on a separate page, please provide a brief description of the services offered and approximate number of clients.*

3 i) If the Proposer is involved in wire transfers of funds does it specify and define:

	YES	NO
a. Authorised personnel		
b. Authorised personnel of correspondents and corporate customers?		
c. Call-back procedures?		
d. Transfer limits?		

ii) Are there independent individuals designated to review and reconcile all wire funds transfer transactions at the end of each day?

 Yes 
 No 

4 On a separate page please describe the procedures adopted when instructions are received by telephone, whether the instructions are recorded and how long the tapes are kept.

5 Transfer/Bank account change requests:

### A. INTERNAL

i) Please describe the procedures in place to validate the authenticity of what appear to be internally generated fund transfer requests?

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ii) Would procedures set out in (i) above apply to requests purporting to have come from the Executive Management (CEO/CFO etc)?

 Yes 
 No 

### B. EXTERNAL (i.e. Customer, Clients and Vendor Requests)

i) What procedures do you have in place to authenticate the validity of:

a. Requested changes to a third party vendor or customer bank account information held on record?

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b. Customer/client instructions to direct funds to a third party bank account recipient?

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ii) If a "call back" is required, is this to a previously established number (i.e. one on record for the vendor or customer and not the contact information contained in the communication requesting a change to account details or a transfer).

 Yes 
 No

iii) Are transfer requests or bank information changes accepted solely via electronic communications? If Yes, what additional controls are in place to ensure that such requests are genuine and from an authorised person?

Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
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.....

.....

iv) Is there any system in place to flag and seek additional sign off or confirmation for fund transfers in respect of those which are:

	YES	NO
a. Out of country		
b. To recipients in known high risk jurisdictions (e.g. China)		
c. Over a certain value		
(if Yes, at what value are transactions subject to such controls)	<b>R</b>	
d. Unusual or inconsistent with previous transfer behaviour		

v) Are controls outlined above equally applicable VIP/High Net Worth customers?

Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
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6 Please explain how the authentication process in 4B above is checked/audited to ensure these processes are followed.

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## 16 | INVESTMENT PROCEDURES

- i) Investment guidelines and investment mandates are adhered to
- ii) Decisions and executions of transactions are made when the account manager is absent
- iii) Any breaches of pre-agreed investment restrictions are recognised and rectified
- iv) A due diligence process is followed when assessing any investment or investment strategy
- v) Suitable financial advice is given and recommendations are made according to investors' objectives

## DECLARATION

Signing this proposal form binds neither the proposer to complete this insurance, nor does it bind the insurer to accept the proposal. It is agreed that all written statements and attachments furnished to the insurer in conjunction with this proposal are hereby incorporated by reference into this proposal and made part thereof. It is understood and agreed that the insurer has relied upon this proposal and attachments, which shall be the basis of the insurance contract.

The undersigned is an authorised signatory of the Proposer and certifies that reasonable inquiry has been made to obtain the answers herein which are true, correct and complete to the best of his/her knowledge and belief. We undertake to inform the insurer of any material alteration to these facts, whether occurring before or after completion of the insurance contract.

..... <b>NAME</b>	..... <b>CAPACITY</b>
..... <b>SIGNATURE OF THE PROPOSER</b>	..... <b>DATE</b> DD/MM/YYYY

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## BROKER DETAILS

Broker: .....

Contact Person: .....	Tel: .....
Email: .....	Fax number: .....