

Tokio Marine Asset Management (USA), Ltd.

Part 2A of Form ADV

The Brochure

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This brochure provides information about the qualifications and business practices of Tokio Marine Asset Management (USA), Ltd. (“TMA (USA)” or the “Company”). If you have any questions about the contents of this brochure, please contact us at 212-476-8290. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about TMA (USA) is also available on the SEC’s website at: www.adviserinfo.sec.gov.

Material Changes

TMA (USA) has updated its Form ADV, Part 2A and determined that the following material changes have been made since the last annual update:

- TMA (USA) no longer provides equity trade monitoring services provided to TMA.

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Advisory Business

TMA (USA) acts as the sub-investment manager or an investment research consultant to certain of Tokio Marine Asset Management, Co., Ltd.’s (“TMA”) clients, based on the investment guidelines and restrictions of such clients. TMA communicates such guidelines or restrictions to TMA (USA), which does not interact directly with TMA’s clients or their underlying investors. TMA’s clients consist of the equivalent of foreign mutual funds, offshore private funds, and offshore managed accounts (collectively, “Clients”). Finally, TMA (USA) and Tokio Marine Asset Management International PTE, Ltd. (“TMAI”) collect and provide to each other investment-related information, used in making investment decisions.

TMA (USA) provides investment management services with respect to catastrophe bonds (“CAT Bonds”) as a sub-investment manager on behalf of a pooled investment vehicle (the “CAT Bond Fund”). TMA (USA) also provides investment research consulting services with respect to domestic and international equity, fixed income (including suggestions on the utilization of derivatives), and third-party hedge funds.

TMA (USA) was established in June 2000 and is wholly owned by TMA. As of March 11, 2013 TMA (USA) managed approximately \$221 million on a discretionary basis on behalf of TMA for the CAT Bond Fund.

Fees and Compensation

TMA (USA) receives an annual investment management fee based on a percentage of assets under management and does not have a standardized fee schedule. Investment management fees are billed quarterly in arrears based on the daily average total net assets of TMA's CAT Bond Fund for which TMA (USA) provides discretionary investment management services. TMA calculates the average total net assets and TMA (USA) issues the invoice to TMA, which forwards the amount due to TMA (USA).

With respect to the provision of investment research consulting services, TMA has agreed to pay TMA (USA) an amount equal to the cost of providing such services plus a 10% mark-up. TMA (USA) submits an annual expense budget to TMA at the beginning of the year. TMA (USA) invoices TMA quarterly for one fourth of the annual fee at the end of each quarter. The payment for the first three quarters reflects the budgeted costs. The payment for the fourth quarter reflects the difference between actual amount of cost incurred and the budgeted amount such that the total fees paid for the year reflect the actual amount of cost plus the specified mark-up. Substantially similar terms exist with respect to the investment related information shared between TMA (USA) and TMAI.

In addition to TMA's and TMA (USA)'s portion of investment management fees, TMA's CAT Bond Fund bears trading costs and custodial fees. Please see the "Brokerage Practices" section for further information.

Performance Based Fees and Side-by-Side Management

TMA (USA) does not receive any performance fees with respect to the CAT Bond Fund.

Some investment advisers experience conflicts of interest in connection with the side-by-side management of accounts with different fee structures. However, these conflicts of interest are not applicable to TMA (USA).

Types of Clients

TMA (USA) primarily provides customized investment management services on a discretionary basis as the sub-investment manager to a privately offered, foreign pooled investment vehicle, offered only to foreign investors, which is organized as an investment trust. TMA serves as the investment manager to this pooled investment vehicle. In addition, TMA (USA) provides investment research and consulting services directly to TMA. Finally, TMA (USA) and TMAI collect and provide to each other investment related information, used in making investment decisions.

Methods of Analysis, Investment Strategies and Risk of Loss

Discretionary Investment Management Services

Investing in securities involves risk that TMA, its Clients, and their underlying investors should be prepared to bear. The risk of loss, including all principal invested, exists.

CAT Bonds: As the sub-investment manager to TMA, which serves as the investment manager, TMA (USA) makes and implements investment recommendations on behalf of the CAT Bond Fund. Investments consist mainly of CAT Bonds in the field of insurance linked securities, including both new and outstanding CAT Bond issues, but may also include short-term money instruments including cash as well as insurance derivative linked bonds, other CAT Bond Funds, and insurance linked securities other than CAT Bonds. This product attempts to provide an investment opportunity in an alternative product with low correlation to traditional assets and is managed on an active basis in pursuit of absolute return. The CAT Bond Fund strategically allocates risk exposure based on the type of event/risk (e.g., event risks that do not depend on economic conditions and where occurrence is generally less frequent such as earthquake, hurricane, etc.), geographic location, payment method, redemption terms, and other characteristics. FX risk will generally be hedged by TMA. In addition, TMA manages the portion of the portfolio consisting of short-term money instruments.

A CAT Bond is a high-yield debt instrument that is usually insurance-linked and meant to raise money in case of a catastrophe such as a hurricane or earthquake. It has a special condition that states that if the issuer (typically an insurance or reinsurance company) suffers a loss from a particular pre-defined catastrophe, then the issuer's obligation to pay interest and/or repay the principal is either deferred or completely forgiven. If an event or trigger specifically referenced in the bond documents takes place, bond investors – depending on where they rank in the capital structure – could lose their principal, with the issuer using this to pay claimholders. The trigger thresholds differ from deal to deal, but can include the passing of a particular amount of insured losses sustained from an event (known as indemnity cover), or a parametric measurement based on the magnitude of a disaster.

CAT Bonds are designed to transfer risks from reinsurance companies, the issuers of the bonds, to investors in the event of a severe natural disaster. The issuer of the CAT Bonds can set up a separate legal structure, sometimes referred to as a special purpose vehicle (“SPV”), if it wants to transfer some or all of the risk assumed in insuring a catastrophe. The SPV issues CAT Bonds and typically invests the proceeds from the bond issuance in low-risk securities (the “collateral”). The earnings on these low-risk securities, as well as insurance premiums paid to the issuer, are used to make periodic, variable rate interest payments to the bond investors. The interest rate typically is based on the London Interbank Offered Rate (LIBOR) plus a promised margin, or “spread,” above that.

If the triggering event occurs, the CAT Bond issuer's right to the collateral is “triggered.” This means the issuer receives the collateral, instead of investors receiving it when the bond matures, causing investors to lose most—or all—of their principal and unpaid interest payments. When this happens, the SPV might also have the right to extend the maturity of the bonds to verify that the trigger did occur or to process and audit insurance claims. Depending on the bond, the extension can last anywhere from three months to two years or more.

Risks: Event-linked securities such as CAT Bonds can offer higher interest rates than similarly rated corporate bonds. However, if a triggering catastrophic event occurs, holders can lose most or all of their principal and unpaid interest payments.

The Credit Cliff: A CAT Bond can cause the investor to rapidly lose most or all of his or her principal and any unpaid interest if a triggering event occurs. The high yield will not make investors whole if the triggering event actually occurs.

Modeling Risk: Prices, yields and ratings of CAT Bonds rely almost exclusively on complex computer modeling techniques, which in turn are extremely sensitive to the data used in the models. The quality and quantity of data vary depending on the catastrophe. For example, there is more data available on earthquakes than on pandemics, which can be based only on the Spanish flu epidemic of 1918 in terms of real data. There are frequently sharp differences between simulated performance results and the actual results subsequently achieved.

As another example, the unusual frequency of hurricanes between 2001 and 2005, as well as the amount of damage that they caused, defied then-existing computer models. This caused Northeast and Gulf Coast hurricane models to be significantly revised. Investors should remember how much is riding on these models, and how they are essentially untested. In addition, it is important to keep in mind that past performance does not guarantee future returns.

Liquidity Risk: Secondary trading for CAT Bonds is very limited, so an investor may not be able to sell on short notice. In addition, the secondary transactions that do occur are privately negotiated, so pricing information is not generally available to the public.

The maturity of some CAT Bonds can be extended during the worst possible time—when a trigger may have occurred. This can cause the bonds' value to plummet, making them even harder to sell.

Unregistered Investments: Most CAT Bonds are issued in what are called Rule 144A offerings, which are available only to large institutional investors and are not subject to the SEC's registration and disclosure requirements. As a result, many of the normal investor protections that are common to most traditional registered investments are missing. For example, issuers of CAT Bonds are not required to file a registration statement or periodic reports with the SEC, unlike issuers of registered bonds. While general prohibitions against securities fraud apply to Rule 144A offerings, the lack of public disclosure may make it difficult for both individuals and investment managers to obtain and evaluate the information used to price and structure CAT Bonds.

Investment Research and Consulting Services

Equity: TMA (USA) provides TMA with market-level, sector-level, and issuer-level research and investment advice. TMA (USA) provides specific buy/sell/hold recommendations to TMA, but does not have the authority to implement such recommendations.

Fixed Income: TMA (USA) provides TMA with investment advice, including general ideas on trades, rebalancing recommendations for passively managed fixed income accounts, suggestions on the utilization of derivatives, suggestions on product improvement, suggestions on upgrading investment methodologies, etc. TMA (USA) provides attribution analysis and reporting to TMA with respect to market movements, attitudes of investors, etc. This only covers Japanese related products. TMA (USA) does not have the authority to implement its recommendations.

Fund of Hedge Funds: TMA (USA) conducts hedge fund research and due diligence activities for TMA and the designated sub-advisers of TMA's Funds of hedge funds. TMA (USA) supports TMA through quantitative and qualitative analysis of hedge fund performance and other information and supports TMA's investment staff in directing, managing, and coordinating the investment advisory business and associated operations. TMA (USA) monitors the investment activities of TMA's sub-advisers relating to hedge fund investments. TMA (USA) provides reports to TMA, but does not have authority to implement any recommendations provided to TMA.

Information Services

TMA (USA) and TMAI collect and provide to each other investment related information, used in making investment decisions. The information includes or relates to: market overviews; macro overviews; industry overviews; and individual stocks. TMA (USA) and TMAI do not influence or have the authority to implement any investment decisions on each other's behalf.

Disciplinary Information

TMA (USA) and its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to TMA's (including its Clients' and their underlying investors') evaluation of the Company or its personnel.

Other Financial Industry Activities and Affiliations

Tokio Marine & Nichido Fire Insurance Co., Ltd. ("TMNF") wholly owns TMA, which wholly owns TMA (USA). TMA serves as an investment adviser based in Japan and is not registered with the SEC. TMNF serves as an insurance company based in Japan. Tokio Marine Holdings, Inc. wholly owns TMNF.

TMNF also wholly owns Tokio Marine Management, Inc. ("TMM"), the management company for the U.S. insurance operations of TMNF. TMM has entered a Service Agreement with TMA (USA) to provide TMA (USA) with the following services:

- Accounting services relating to the completion of required tax forms;
- Services focusing on human resources related matters;
- Other services including payroll services for TMA (USA)'s employees and providing insurance; and
- Assumption of other responsibilities, functions or services related to, pertaining to or necessitated by the services described above.

TMA (USA) pays TMM: (1) an annual fixed fee calculated based on TMM's costs incurred based on a work time study, and (2) reimbursement and/or mutually agreed upon compensation for extraordinary costs, expenses and services incurred or performed pursuant to the Service Agreement.

In addition, TMA provides TMA (USA) with research on fixed income and equity securities and analyses on potential investment opportunities which are of interest to TMA (USA). The equity research focuses on specific Japanese equities. The fixed income research focuses on the following information: balance sheet as well as profit and loss information and indicators used for risk monitoring in model portfolios, materials related to TMA's decision making, TMA's assessment of market movements, and tools for decision making based on quantitative analysis. In consideration of the provision of Japanese equities and fixed income research, TMA (USA) will not pay a fee, but will reimburse TMA for reasonable expenses if TMA incurs Extraordinary Costs for the provision of such research. ("Extraordinary Costs" are defined as costs incurred due to specific requests by TMA (USA) with respect to the research conducted by TMA.) Barring Extraordinary Costs, TMA (USA) does not pay any fee.

Finally, TMA (USA) and TMAI collect and provide to each other investment related information, used in making investment decisions. TMA holds 100% of the shares of TMAI.

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

TMA (USA) has adopted a written Code of Ethics ("Code") that is applicable to all employees, who must certify that they have received, read, understood, and agree to abide by the Code. Among other things, the Code requires TMA (USA) and its employees to act in clients' best interests, abide by all applicable regulations, avoid even the appearance of insider trading, and pre-clear and report on many types of personal securities transactions, including private placements and initial public offerings ("IPOs"). TMA (USA)'s restrictions on personal securities trading apply to employees and their family members living in the same household. A copy of TMA (USA)'s Code is available upon request.

TMA (USA)'s employees are generally prohibited from trading in the same securities recommended to the CAT Bond Fund and TMA. Personal trading in securities recommended to TMA is most likely to occur with respect to equity and fixed income securities. Employees most likely will not trade in CAT Bonds or in invest in the same third-party hedge funds as those researched and monitored on behalf of TMA. Any side-by-side trading by employees could create various potential conflicts of interest, including the fact that employees have knowledge of TMA (USA)'s recommendations and could use this knowledge to their benefit (e.g., by front-running the CAT Bond Fund or investment recommendations made to TMA).

TMA (USA) does not expect situations where TMA (USA) recommends securities to TMA or its Clients, or buys or sells securities for the CAT Bond Fund, at or about the same time that TMA (USA) or its employees buy or sell the same securities for their own accounts. Any such instances that occur are expected to be coincidental and TMA (USA) has adopted pre-clearance requirements to designed to detect and prevent any potential concerns in this area (e.g., employees receiving preferential execution prices or timing trades in a manner designed to benefit their personal accounts to the detriment of the CAT Bond Fund or TMA and its other Clients).

TMA (USA)'s Personal Security Transaction Policy, which is part of the Code, is designed to not only ensure its technical compliance with Rule 204A-1 under the Investment Advisers Act of

1940, but also to mitigate any potential material conflicts of interest associated with employees' personal trading activities. Accordingly, TMA (USA) monitors employees' investment patterns to detect and prevent abusive practices.

If TMA (USA) discovers that an employee is personally trading contrary to the policies set forth within the Code, the Chief Compliance Officer ("CCO") shall meet with the employee to review the facts surrounding the transactions in question and resolve the matter appropriately.

Brokerage Practices

TMA (USA)'s principal objective in selecting broker-dealers and entering Client trades is to obtain best execution for transactions submitted on behalf of TMA's Client. TMA (USA) recognizes that the analysis of execution quality involves a number of factors, both qualitative and quantitative. To consider these factors, TMA (USA) will follow a process in an attempt to ensure that it seeks to obtain the most favorable execution under the prevailing circumstances when placing orders for TMA's Client.

Broker selection is determined by the viewpoint of financial soundness, capability of providing valuable information and trade execution capability. TMA (USA) considers numerous factors on an ongoing basis in determining the broker-dealers used to execute trades. These factors include, but are not limited to, the cost of trading through particular broker-dealers versus other available options, the execution price attained, opportunity for price improvement, anonymity, liquidity, speed of execution, quality of research, expertise in trading difficult securities, trading style and strategy, geographic location of the broker, brokers' operational accuracy, the number of errors committed (if any), and promptness and punctuality.

TMA (USA) attempts to solicit multiple quotes from brokers and selects the best price based on the responses received as long as that is practical given the facts and circumstances, including the type of investment instrument to be traded. Because there are a small number of buyers and the CAT Bond market is very limited in terms of participants and volume, TMA (USA) generally does not place orders with multiple brokers-dealers to execute a particular CAT Bond transaction. The executing broker-dealer takes a fee of based on a percentage of the value of the trade and this fee is imputed into the execution price.

Soft Dollar Benefits

TMA (USA) does not have any formal soft dollar arrangements. However, TMA (USA) may receive proprietary (as opposed to third-party) research from the broker-dealers used to execute trades. The receipt of this research creates a potential conflict of interest in that TMA (USA) otherwise would have to expend internal resources to compile such research or pay for such research. Due to the receipt of such research, TMA (USA) could have a potential incentive to continue to use broker-dealers that provide research over other available options that do not provide such research.

TMA (USA) does not believe that the CAT Bond Fund pays to the broker-dealers that provide research markups or markdowns that are higher than those charged by other broker-dealers or any other additional costs in return for the research benefits provided (known as paying-up).

Furthermore, the broker-dealers' provision of research products and services is not contingent upon TMA (USA) formally committing any specific amount of business to the broker-dealers.

Any research received from broker-dealers generally benefits the CAT Bond Fund accounts, which are the only accounts for which TMA (USA) submits trades for execution. TMA's other Clients generally do not benefit from any research provided by broker-dealers because any information received from the broker-dealers in this context generally relates to CAT Bonds.

The types of research products and services acquired from broker-dealers generally include market outlooks/viewpoints, trends in issues/issuers, information regarding natural disasters, and investor trends in general.

The Portfolio Manager directs transactions through TMA (USA)'s Trader to broker-dealers based on an overall assessment of the factors described previously. One of the factors that contributes to the decision includes the quality of research provided. The CCO reviews brokerage allocation determinations in order to confirm that TMA (USA) has reasonably sought to achieve best execution. The CCO would discuss any potential concerns regarding decisions to direct brokerage in return for research with the Portfolio Manager and TMA (USA) would take prompt action to resolve (through disclosure or otherwise) any potential concerns noted.

Directed Brokerage

Neither TMA nor its Clients direct the use of any particular broker-dealer. Therefore, TMA (USA) selects the broker-dealer at its sole discretion.

In addition, TMA (USA) does not routinely recommend, request or require that TMA or its Clients direct TMA (USA) to execute transactions through a specified broker-dealer.

Client Referrals

TMA effectively is TMA (USA)'s only "client." As such, TMA (USA) does not directly or indirectly compensate any custodian or broker-dealer for client or investor referrals.

Trade Allocation and Aggregation

TMA (USA) currently only submits trades as sub-adviser to one of TMA's Clients. Therefore, traditional trade aggregation and allocation considerations do not apply to TMA (USA).

Review of Accounts

Investment personnel will review international and domestic events on a daily basis to determine the effect on securities held in Client portfolios, recommendations provided to TMA, and other analyses submitted to TMA. TMA (USA)'s investment personnel hold both formal and informal meetings to discuss investment ideas, economic developments, current events, investment strategies, issues related to portfolio holdings, etc. TMA (USA)'s investment personnel meet periodically to discuss the markets and securities within the portfolios for which TMA (USA) provides discretionary asset management or investment research consulting services. Investment personnel participate in more formal meetings with TMA approximately on a weekly basis.

Investment personnel are responsible for conducting periodic reviews of TMA's Clients' portfolios to ensure their adherence to investment objectives, guidelines, and restrictions and to detect trading irregularities and unusual positions that may warrant internal review or corrective action. Finally, investment personnel are expected to stay apprised of events that may have an effect on TMA's Clients' portfolios and must keep TMA apprised of such matters.

Equity research consulting. TMA (USA) participates in approximately weekly videoconferences with TMA to provide investment recommendation updates. TMA (USA) also provides approximately monthly sector-level updates by email. Vice Presidents conduct the reviews and provide the updates.

Fixed income research consulting. TMA (USA) communicates with TMA by either phone or through electronic communications almost every day. Weekly telephone conferences also occur. The CIO conducts the reviews and provides the updates.

Fund of hedge funds research consulting. TMA (USA) conducts initial and ongoing reviews of hedge fund investments and provides research to TMA, which is responsible for investment decisions, through excel spreadsheets or informal telephone discussions. TMA (USA) holds an informal telephone conference with TMA's multi-manager division, discussing ongoing research projects, communications with third-party sub-advisors, business developments, etc. TMA (USA) also provides monthly teleconference reports by e-mail. A Vice President conducts the reviews and provides the updates.

CAT Bond Fund managed on a discretionary basis. TMA (USA) sends a review of the current month and forecast of the coming month to TMA in the form of a monthly report. The CIO conducts the reviews and provides the reports.

As a sub-manager for TMA, TMA (USA) does not provide any reports or other correspondence directly to TMA's Clients or any associated underlying investors.

Client Referrals and Other Compensation

TMA effectively is TMA (USA)'s only "client." As such, TMA (USA) does not directly or indirectly compensate any third party for client or investor referrals. In addition, other than the previously described research products and services that TMA (USA) receives from broker-dealers, TMA (USA) does not receive any other economic benefits from non-clients in connection with the provision of investment advice to clients.

Custody

TMA (USA) does not have any direct client relationships; rather, TMA serves as TMA (USA)'s "client." TMA's clients consist of foreign mutual funds, offshore private investment funds, and offshore managed accounts. With respect to these pooled investment vehicles, TMA or its affiliates generally do not have legal ownership over, or authorization or permission to withdraw, client funds or securities maintained with a custodian (e.g., to deduct fees, pay expenses, process redemptions, etc.). For example, for the CAT Bond Fund, an unaffiliated trustee controls the funds and securities.

TMA oversees and reconciles all of its Clients' accounts and Client assets are held by an independent custodian. TMA (USA) does not play a role in fee billing or otherwise have access to TMA's Clients' accounts, other than in limited circumstances where it has the authority to make investment decisions and submit trades for execution as a sub-investment manager. Further, TMA (USA) conducts all business operations in such a way that it will not physically hold any funds or securities belonging to TMA's Clients. Finally, TMA sends account statements to investors after TMA reconciles the data received from the independent custodian.

Investment Discretion

TMA (USA) does not have any direct client relationships; rather, TMA serves as TMA (USA)'s "client." TMA's clients consist of foreign mutual funds and offshore private investment funds.

TMA (USA) has the authority to make investment decisions and submit trades for execution as a sub-investment manager to the CAT Bond Fund. More specifically, in serving as the discretionary sub-investment manager to the CAT Bond Fund, TMA (USA) provides the following services: (a) evaluate and advise on economic conditions and securities markets and such other statistical and financial data relating thereto for the purpose of the investment and reinvestment of the assets of the CAT Bond Fund; (b) evaluate investments which appear appropriate for the CAT Bond Fund and direct the investment of the assets of the CAT Bond Fund; (c) continuously review the assets of the CAT Bond Fund; (d) take action on behalf of TMA in relation to the assets of the CAT Bond Fund; (e) recommend the investment, liquidation, and reinvestment of the assets of the CAT Bond Fund; and (f) provide TMA with material for inclusion in the periodic reports produced for the investors in the CAT Bond Fund, as requested by TMA.

TMA in its sole discretion has the authority place limitations on TMA (USA)'s discretionary authority as it sees fit. In addition, TMA communicates to TMA (USA) any changes in investment objectives, guidelines, and restrictions made with respect to TMA's Clients. TMA (USA) maintains documentation of such communications and must monitor its recommendations versus such objectives, guidelines, and restrictions in order to detect and prevent any potential breaches. Otherwise, TMA (USA) has entered a Sub-Investment Management Agreement with TMA outlining the extent of both parties' authority and responsibilities.

Voting Client Securities

TMA (USA) does not currently have discretionary authority over any equity portfolios and does not provide recommendations with respect to proxy voting or class action matters to TMA. Rather, TMA outsources proxy voting responsibilities to RiskMetrics Group ("RiskMetrics") pursuant to RiskMetrics' standard proxy voting guidelines.

However, to the extent that TMA (USA) ever assists TMA with respect to proxy voting matters, it is the policy of TMA (USA) to provide recommendations to TMA with the goal of maximizing value for TMA's Clients. TMA (USA) has not identified any material conflicts of interest in connection with proxy voting matters. However, if TMA (USA) identifies a material conflict of interest it will report this to TMA and investment personnel associated with the conflict shall recuse themselves from providing proxy voting recommendations with respect to any issuers and voting matters associated with the conflict of interest.

Financial Information

TMA (USA) has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.