

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. (“TMAM USA” or the “Company”). If you have any questions about the contents of this brochure, please contact us at 212-476-8297. 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 TMAM USA is also available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 Material Changes

Material Changes

There have been no material changes since our last update to this brochure.

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Item 4 Advisory Business

Advisory Business

TMAM USA provides sub-investment management or investment research/consulting services to certain Tokio Marine Asset Management Co., Ltd. (“TMAM”) clients based on the clients’ investment guidelines and restrictions communicated to TMAM USA by TMAM. TMAM USA does not interact directly with TMAM’s clients or their underlying investors. TMAM’s clients consist of the equivalent of an offshore private fund and an offshore managed account (collectively, “Clients”).

TMAM USA provides investment management services with respect to catastrophe bonds (“CAT Bonds”) as a sub-investment manager to TMAM on behalf of a pooled investment vehicle (the “CAT Bond Fund”). TMAM USA also provides investment management services as a sub-investment manager to TMAM on behalf of the Global Alpha Account in Japanese and other government bonds and opportunistic investments in, among other things:

- interest rate derivatives,
- currencies, and
- equity indexes/commodity futures.

TMAM USA also provides investment research/consulting services with respect to fixed income funds (including suggestions on derivatives use) and third-party hedge funds.

TMAM USA was established in June 2000 and is wholly owned by TMAM. As of December 31, 2016, TMAM USA managed approximately \$1,068,842,520 on a discretionary basis on behalf of TMAM for the CAT Bond Fund and the Global Alpha Account.

Item 5 Fees and Compensation

Fees and Compensation

TMAM USA receives an annual investment management fee based on a percentage of assets under management. It does not have a standardized fee schedule. Investment management fees are billed in arrears.

The fee is based on the daily average total net assets of TMAM's CAT Bond Fund during a particular quarter. TMAM calculates the average total net assets. TMAM USA invoices TMAM, which then forwards the amount due to TMAM USA on a quarterly basis.

With respect to the Global Alpha Account, TMAM USA receives 50% of the monthly management fee collected by TMAM. This fee is calculated as a percentage of assets under management using the Global Alpha Account's month-end balance. The amount owed to TMAM USA is paid semi-annually in arrears by TMAM.

With respect to TMAM USA's investment research/consulting services, TMAM pays TMAM USA an amount equal to the cost of providing such services plus a 10% markup. TMAM USA submits an annual expense budget to TMAM at the beginning of the year. TMAM USA invoices TMAM 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 the actual costs incurred and the budgeted amount. Consequently, the total fees paid for the year reflect actual costs plus the specified markup.

Finally, to the extent that TMAM USA recommends that the CAT Bond Fund invests in other CAT Bond Funds, mutual funds, exchange traded funds, or any other pooled investment vehicles which incur their own separate layer of management, trading, administrative, and other expenses, CAT Bond Fund investors incur two distinct layers of fees on the amount invested – one layer charged by TMAM and one layer charged by the other CAT Bond Funds, mutual funds, exchange traded funds, or other pooled investment vehicles.

In addition to TMAM's and TMAM USA's portion of investment management fees, TMAM's CAT Bond Fund and the Global Alpha Account bear trading costs and custodial fees. Please see the "Brokerage Practices" section for further information.

Item 6 Performance-Based Fees and Side-by-Side Management

Performance-Based Fees and Side-by-Side Management

TMAM USA does not receive performance fees with respect to the CAT Bond Fund. With respect to the Global Alpha Account, TMAM USA receives from TMAM on an annual basis 50% of any performance-based fees collected by TMAM.

The receipt of performance-based fees may create an incentive for TMAM USA to make investments on behalf of the Global Alpha Account that are riskier or more speculative than might be the case absent such arrangements.

On occasion, some investment advisers experience conflicts of interest in connection with side-by-side management of accounts with different fee structures. This suggests a potential conflict of interest, that is, TMAM USA could have an incentive to favor the Global Alpha Account over the CAT Bond Fund. Certain mitigating factors exist, however, including the fact that the Global Alpha Account and the CAT Bond Fund are not expected to employ the same types of investment instruments.

Item 7 Types of Clients

Types of Clients

TMAM USA primarily provides customized investment management services on a discretionary basis. It does this as sub-investment manager to TMAM on behalf of a privately offered, foreign pooled investment vehicle offered only to foreign investors and an offshore managed account. These vehicles are operated under a form of trust account. TMAM serves as the investment manager to the pooled investment vehicle and managed account. In addition, TMAM USA provides investment research/consulting services directly to TMAM as described in items 4 and 10.

Item 8 Methods of Analysis, Investment Strategies, and Risk of Loss

Methods of Analysis, Investment Strategies, and Risk of Loss

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

CAT Bond Fund

As sub-investment manager to TMAM, TMAM USA makes and implements investment recommendations on behalf of the CAT Bond Fund. Investments consist mainly of new and outstanding CAT Bond issues in insurance-linked securities. They may also include short-term money instruments such as cash, insurance-derivative-linked bonds, other CAT Bond Funds, and insurance-linked securities other than CAT Bonds.

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. This product attempts to provide an investment opportunity in an alternative product with low correlation to traditional assets. It is managed actively in pursuit of absolute return. The CAT Bond Fund strategically allocates risk exposure based on characteristics such as:

- the type of event/risk (e.g., those not depending on economic conditions and generally occurring less frequently, such as earthquake or hurricanes),
- geographic location,
- payment method, and
- redemption terms.

FX risk will generally be hedged by TMAM. In addition, TMAM manages the portion of the portfolio consisting of short-term money instruments.

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.

Global Alpha Strategy

This strategy hopes to benefit from understanding the potential causes of price fluctuations in fixed income products and being aware of the tendency for individual fixed income product market prices to converge eventually to a fair price. TMAM USA employs macroeconomic and fundamental analyses in this regard, including yield curve analyses. Our investment professionals also overlay their own qualitative analysis to establish a portfolio with an efficient risk/return tradeoff.

As the sub-investment manager to TMAM, TMAM USA makes and implements investment recommendations on behalf of the Global Alpha Account. The strategy uses a Japanese

Item 8 Methods of Analysis, Investment Strategies, and Risk of Loss

Government bond index as a benchmark and invests not only in Japanese Government bonds, but opportunistically in investments in foreign (non-Japanese) and domestic (Japanese) fixed income products. These investments could include the use of interest rate derivatives, currencies, and equity indexes/commodity futures. As part of the investment risk management process, TMAM USA may use futures/derivatives as part of the strategy to hedge risks such as macroeconomic and currency-related risks.

Risks: The potential risks associated with the Global Alpha Account include, among others, basis risk, model risk, and interest rate risk under relative value strategies.

Cybersecurity

TMAM USA and its service providers are subject to risks associated with a breach in cybersecurity. Cybersecurity is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and data from both intentional cyber-attacks and hacking by other computer users as well as unintentional damage or interruption that, in either case, can result in damage or interruption from computer viruses, network failures, computer and telecommunications failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. A cybersecurity breach could expose both TMAM USA and its clients to substantial costs (including, without limitation, those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, adverse investor reaction, the dissemination of confidential and proprietary information and reputational damage), civil liability as well as regulatory inquiry and/or action. While TMAM USA has established a business continuity plan in the event of, and risk management strategies, systems, policies and procedures to seek to prevent, cybersecurity breaches, there are inherent limitations in such plans, strategies, systems, policies and procedures including the possibility that certain risks have not been identified.

Item 9 Disciplinary Information

Disciplinary Information

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

Item 10 Other Financial Industry Activities and Affiliations

Other Financial Industry Activities and Affiliations

Tokio Marine Holdings, Inc. (“TMH”) wholly owns TMAM, which wholly owns TMAM USA. TMAM serves as an investment adviser based in Japan and is not registered with the SEC. TMH also wholly owns Tokio Marine & Nichido Fire Insurance Co., Ltd. (“TMNF”).

TMNF also wholly owns Tokio Marine Management, Inc. (“TMM”), the management company for the U.S. insurance operations of TMNF.

In addition, TMAM provides TMAM USA with research and analyses on potential investment opportunities of interest to TMAM USA. In consideration of the research provided, TMAM USA will reimburse TMAM for reasonable expenses if TMAM incurs costs due to specific requests by TMAM USA with respect to TMAM’s research. Barring such costs, TMAM USA does not pay a fee.

Item 11 Code of Ethics, Participation or Interest in Client Transactions, and Person Trading

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

TMAM USA has adopted a written Code of Ethics (“Code”). All employees must certify that they have received, read, understand, and agree to abide by the Code. Among other things, the Code requires TMAM USA and its employees to act in the best interests of Clients, abide by all applicable regulations, avoid even the appearance of insider trading, and preclear and report on many types of personal securities transactions. These include private placements and initial public offerings (“IPOs”). TMAM USA’s restrictions on personal securities trading apply to employees and family members living in the same household. A copy of TMAM USA’s Code is available on request.

TMAM USA’s employees are generally prohibited from trading in securities recommended to the CAT Bond Fund, the Global Alpha Account, and TMAM. As such, TMAM USA does not expect situations where TMAM USA recommends securities to TMAM or its Clients, or buys or sells securities for the CAT Bond Fund or the Global Alpha Account, at or about the same time that TMAM USA or its employees buy or sell the same securities for their own accounts. Any such instances are expected to be coincidental. TMAM USA has adopted preclearance requirements designed to detect and prevent any potential concerns in this area.

TMAM USA’s *Personal Security Transactions* policy, which is part of the Code, is designed to ensure technical compliance with Rule 204A-1 under the Investment Advisers Act of 1940 and to mitigate any potential material conflicts of interest associated with employee personal trading activities. Accordingly, TMAM USA monitors employee investment patterns to detect and prevent abusive practices.

If TMAM USA discovers that an employee is personally trading contrary to policies in the Code, the Chief Compliance Officer (“CCO”) will meet with the employee to review the transactions in question and resolve the matter appropriately.

Item 13 Review of Accounts

Brokerage PracticesSelection of Broker-Dealers

TMAM USA's principal objective in selecting broker-dealers and entering Client trades is to obtain best execution for transactions submitted on behalf of Clients. TMAM USA recognizes that the analysis of execution quality involves numerous qualitative and quantitative factors. TMAM USA has procedures in place designed to ensure it seeks the most favorable execution under prevailing circumstances when placing orders for Clients.

TMAM USA considers, among other things, financial soundness, ability to provide valuable information, and trade execution capability when selecting brokers. TMAM USA conducts an ongoing review of numerous factors in selecting broker-dealers to execute trades. The relevant factors may vary, depending on the facts and circumstances, such as the type of investment instrument to be traded through a particular broker-dealer. In addition, certain factors may warrant an assessment of data over time as opposed to continuous or ongoing reviews (i.e., trend analysis or reviews for outlier activity over time). For these factors, if TMAM USA begins to manage a new account or use a new type of investment instrument, enough data must be gathered over time before TMAM USA can properly assess the factors. The factors considered generally include, among others, the cost of trading through particular broker-dealers versus other available options, the execution price attained, the opportunity for price improvement, anonymity, liquidity, speed of execution, research quality, expertise in trading difficult securities, trading style and strategy, geographic location, operational accuracy, the number of errors committed (if any), and promptness and punctuality.

For certain transactions, TMAM 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. For example, this would occur for U.S. Treasury bonds. However, TMAM USA will not solicit multiple bids for other types of transactions, including liquid, exchange traded instruments. For example, TMAM USA may not receive competing quotes when trading futures or options. Although there are a small number of buyers and the CAT Bond market is very limited in terms of participants and volume, TMAM USA attempts to obtain quotes from multiple brokers-dealers prior to placing a trade to execute a particular CAT Bond transaction in the secondary market. The executing broker-dealer takes a fee based on a percentage of the value of the trade and this fee is imputed into the execution price.

The Portfolio Manager direct transactions through TMAM USA's Traders to broker-dealers based on an overall assessment of the factors described previously. One factor that contributes to these decisions is the quality of research provided. The CCO reviews brokerage allocation determinations to confirm that TMAM USA has reasonably sought to achieve best execution. The CCO discusses with the Portfolio Manager any potential concerns regarding decisions to

Item 13 Review of Accounts

direct brokerage in return for research, and TMAM USA takes prompt action to resolve (through disclosure or otherwise) any potential concerns noted.

TMAM USA relies on TMAM to place certain trades in the Japanese markets. For these trades, the fund managers provide trading instructions to TMAM. For example, TMAM USA relies on TMAM to place trades in Japanese government bonds and in this case TMAM selects the broker-dealer used to execute such trades.

Soft Dollar Benefits

The use of client securities transactions to obtain research and other benefits creates incentives that result in conflicts of interest between investment advisers and their clients. As a result, TMAM USA does not enter into any formal soft dollar or commission sharing arrangements.

TMAM USA receives proprietary research products from its executing broker-dealers as part of the ordinary course of business, without TMAM USA having any obligation to route TMAM's Clients' trades to any specific broker-dealers. These research products include, but are not limited to, published reports and analyses of issuers, industries, market trends and related technical information, access to updated market information, and access to analysts by phone and at broker-dealer-sponsored research conferences and seminars. Any research received from broker-dealers may benefit all accounts for which TMAM USA submits trades for execution and assists TMAM USA in providing consulting and other services.

The receipt of this research creates a potential conflict of interest. Without it, TMAM USA would have to expend internal resources to compile or pay for such research. With it, TMAM USA could have an incentive to continue using broker-dealers that provide research over those that do not.

Directed Brokerage

Neither TMAM nor its Clients direct the use of any particular broker-dealer, that is, TMAM USA has sole discretion in selecting broker-dealers.

Client Referrals

TMAM effectively is TMAM USA's only "client." Consequently, TMAM USA does not directly or indirectly compensate any custodian or broker-dealer for client or investor referrals.

Trade Allocation and Aggregation

TMAM USA only submits trades as sub-investment manager to two of TMAM's Clients. The Clients trade in different types of securities. Therefore, traditional trade aggregation and allocation considerations do not apply to TMAM USA.

Item 13 Review of Accounts

Trade Errors

TMAM USA has established trade processes and procedures designed to reduce the likelihood of trade errors and, in its sole discretion, will determine what constitutes a trade error. TMAM USA's general policy is to seek to identify and correct any trade errors promptly and in a way that mitigates any losses. If a trade error occurs, TMAM USA shall make the Client accounts whole and put the Client in a position as if the error had never occurred. Client accounts shall not incur any costs relating to the correction of a trade error.

Item 13 Review of Accounts

Review of Accounts

Investment personnel review international and domestic events daily to determine the effect on securities held in Clients' portfolios, recommendations provided to TMAM, and other analyses submitted to TMAM. TMAM USA's investment personnel hold formal and informal meetings to discuss issues such as investment ideas, economic developments, current events, investment strategies, and matters related to portfolio holdings. TMAM USA's investment personnel meet periodically to discuss the markets and securities relevant to the portfolios for which TMAM USA provides discretionary asset management or investment research/consulting services. Investment personnel participate in more formal meetings with TMAM approximately every week.

Investment personnel conduct periodic reviews of 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 monitor events that may affect Clients' portfolios and to keep TMAM apprised of such matters.

For accounts managed on a discretionary basis, written monthly or quarterly reports reflecting portfolio transactions and holdings are made accessible to TMAM from the custodian(s). TMAM USA makes other written reporting available to TMAM upon request. As a sub-investment manager for TMAM, TMAM USA does not provide reports or other correspondence directly to TMAM's Clients or any associated underlying investors.

Item 14 Client Referrals and Other Compensation

Client Referrals and Other Compensation

TMAM effectively is TMAM USA's only "client." As such, TMAM 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 TMAM USA receives from broker-dealers, TMAM USA does not receive any other economic benefits from non-clients in connection with the provision of investment advice to clients.

Item 15 Custody

Custody

TMAM USA does not have any direct client relationships; rather, TMAM serves as TMAM USA's "client." TMAM's Clients consist of an offshore private investment fund and an offshore managed account. With respect to these pooled investment vehicles, TMAM or its affiliates generally do not have legal ownership over, authorization or permission to withdraw, or technical access to (e.g., through online access) 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 and the Global Alpha Account, an unaffiliated trustee controls the funds and securities.

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

Item 16 Investment Discretion

Investment Discretion

TMAM USA has entered a Sub-Investment Management Agreement with TMAM outlining the extent of both parties' authority and responsibilities. TMAM has delegated discretionary authority to TMAM USA to select investments, the amount of investments, and the brokers through which transactions will be executed as a sub-investment manager to the CAT Bond Fund and the Global Alpha Account.

With respect to the CAT Bond Fund, TMAM USA has the authority to submit trades for execution with the exception of FX hedge trades and short-term money instrument trades. For those investment instruments, TMAM controls the investment decisions and selects the broker-dealer used to execute the trades.

With respect to the Global Alpha Account, TMAM and TMAM USA both have authority to submit trades for execution. In practice, TMAM USA controls the investment decisions and selects the broker-dealer used to execute the trades with the exception of trades of short-term money instruments and certain investment instruments traded in the Japanese markets. For short-term money instruments, TMAM controls the investment decisions and selects the broker-dealer used to execute the trades. For certain products traded in the Japanese markets, TMAM USA controls the investment decisions but relies on TMAM to place the relevant trades. For example, TMAM USA provides TMAM with instructions on Japanese government bond trades, and for placement of such trades TMAM USA relies on TMAM, which selects the broker-dealer used to execute such trades.

The Sub-Investment Management Agreement describes the applicable investment objectives, guidelines and restrictions. TMAM communicates to TMAM USA any changes in investment objectives, guidelines, and restrictions made with respect to TMAM's Clients. Finally, TMAM in its sole discretion has the authority to limit TMAM USA's discretionary authority as it sees fit.

Item 17 Voting of Client Securities

Voting of Client Securities

TMAM USA does not have discretionary authority over any equity portfolios and does not provide recommendations for proxy voting or class action matters to TMAM. Rather, TMAM outsources proxy voting responsibilities to a third-party service provider pursuant to the service provider's standard proxy voting guidelines.

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

Clients can obtain information about how TMAM USA voted their securities, as applicable, or a copy of TMAM USA's *Proxy Voting and Class Actions* policy and procedures by contacting Satoshi Tazaki at 212-476-8297.

Item 18 Financial Information

Financial Information

TMAM USA has never filed for bankruptcy and is not aware of any financial condition that would affect its ability to manage client accounts.