



**Policy Number:**  
Renewal of Number:

### FINANCIAL SERVICES LIABILITY POLICY DECLARATIONS

**THIS IS A CLAIMS MADE POLICY. EXCEPT AS OTHERWISE PROVIDED HEREIN, THIS POLICY ONLY APPLIES TO CLAIMS FIRST MADE DURING THE POLICY PERIOD OR, IF APPLICABLE, THE OPTIONAL EXTENSION PERIOD. THE LIMIT OF LIABILITY AVAILABLE TO PAY DAMAGES OR SETTLEMENTS SHALL BE REDUCED AND MAY BE EXHAUSTED BY THE PAYMENT OF DEFENSE EXPENSES. THIS POLICY DOES NOT PROVIDE FOR ANY DUTY BY THE INSURER TO DEFEND ANY INSURED. PLEASE READ AND REVIEW THE POLICY CAREFULLY.**

---

**ITEM 1. Name and Mailing Address of Named Insured:**

---

**ITEM 2. Policy Period: From:** \_\_\_\_\_ **To:** \_\_\_\_\_  
At 12:01AM Standard Time at the Mailing Address Shown Above

---

**ITEM 3. Limits of Liability:**

- (a) \$                    Maximum Aggregate Limit of Liability each **Policy Period** (including **Defense Expenses**) for all **Claims** under the Investment Advisers Management Liability Coverage Part
- (b) \$                    Maximum Aggregate Limit of Liability each **Policy Period** (including **Defense Expenses**) for all **Claims** under the Investment Advisers Professional Liability Coverage Part
- (c) \$                    Maximum Aggregate Limit of Liability each **Policy Period** (including **Defense Expenses**) for all **Claims** under the Mutual Fund Management and Professional Liability Coverage Part
- (d) \$                    Maximum Aggregate Limit of Liability each **Policy Period** (including **Defense Expenses**) for all **Claims** under the Investment Fund Management and Professional Liability Coverage Part
- (e) \$                    Maximum Aggregate Limit of Liability each **Policy Period** (including **Defense Expenses**) for all **Claims** under the Employment Practices Liability Coverage Part
- (f) \$                    Maximum Aggregate Limit of Liability each **Policy Period** (including **Defense Expenses**) for all **Claims** under the Pension and Welfare Benefit Plan Fiduciary Liability Coverage Part
- (g) \$                    Maximum Aggregate Limit of Liability each **Policy Period** (including **Defense Expenses**) for all **Claims** under the Policy

**NOTE:** If there is no Limit of Liability for a Coverage Part, no coverage is available under that Coverage Part.

---

**ITEM 4. Retentions:**

- (a) \$                    each **Insured Person** under any Coverage Part, but only for **Loss** as to which indemnification by the **Adviser, Mutual Fund, Investment Fund, or Company** is not legally permissible or is not made solely by reason of financial insolvency
- (b) \$                    each **Claim** under the Investment Advisers Management Liability Coverage Part

## FINANCIAL SERVICES LIABILITY POLICY DECLARATIONS

- (c) \$ each **Claim** under the Investment Advisers Professional Liability Coverage Part
  - (d) \$ each **Claim** under the Mutual Fund Management and Professional Liability Coverage Part
  - (e) \$ each **Claim** under the Investment Fund Management and Professional Liability Coverage Part
  - (f) \$ each **Claim** under the Employment Practices Liability Coverage Part
  - (g) \$ each **Claim** under the Pension and Welfare Benefit Plan Fiduciary Liability Coverage Part
- 

### ITEM 5. Optional Extension Period:

Premium for One Year Optional Extension Period: \$  
Premium for Two Year Optional Extension Period: \$

---

### ITEM 6. Pending and Prior Proceeding Date(s):

- (a) for the Investment Advisers Management Liability Coverage Part
  - (b) for the Investment Advisers Professional Liability Coverage Part
  - (c) for the Mutual Fund Management and Professional Liability Coverage Part
  - (d) for the Investment Fund Management and Professional Liability Coverage Part
  - (e) for the Employment Practices Liability Coverage Part
  - (f) for the Pension and Welfare Benefit Plan Fiduciary Liability Coverage Part
- 

### ITEM 7. Notices required to be given to the Insurer must be addressed to:

XL Professional Insurance  
100 Constitution Plaza, 17<sup>th</sup> Floor  
Hartford, CT 06103  
Toll Free Telephone: 877-953-2636

---

### ITEM 8. Premium:

Taxes, Surcharges or Fees \$  
Total Policy Premium: \$

---

### ITEM 9. Forms and Endorsements Attached at Issuance:

---

**FINANCIAL SERVICES LIABILITY POLICY DECLARATIONS**

THESE **DECLARATIONS** AND THE POLICY, WITH THE ENDORSEMENTS, ATTACHMENTS, AND THE **APPLICATION** SHALL CONSTITUTE THE ENTIRE AGREEMENT BETWEEN THE INSURER AND THE INSURED RELATING TO THIS INSURANCE.


---

**In Witness Whereof, the Insurer has caused this Policy to be executed by its authorized officers, but this Policy will not be valid unless countersigned on the Declarations page, if required by law, by a duly authorized representative of the Insurer.**



---

John R. Glancy  
President



---

Kenneth P. Meagher  
Secretary

## GENERAL TERMS AND CONDITIONS

**THIS IS A CLAIMS MADE POLICY WITH DEFENSE EXPENSES INCLUDED IN THE LIMIT OF LIABILITY. PLEASE READ AND REVIEW THE POLICY CAREFULLY. THESE GENERAL TERMS AND CONDITIONS APPLY TO ALL APPLICABLE COVERAGE PARTS. IF THERE IS A CONFLICT BETWEEN THESE GENERAL TERMS AND CONDITIONS AND THE TERMS AND CONDITIONS OF ANY APPLICABLE COVERAGE PART, THE TERMS AND CONDITIONS OF THE APPLICABLE COVERAGE PART SHALL APPLY. THE PROVISIONS OF EACH COVERAGE PART SHALL APPLY ONLY TO THAT PARTICULAR COVERAGE PART AND SHALL IN NO WAY BE CONSTRUED TO APPLY TO ANY OTHER COVERAGE PART OF THIS POLICY.**

In consideration of the payment of the premium, and in reliance on all statements made and information furnished to the Company identified in the Declarations (hereinafter the Insurer), including the Application, and subject to all of the terms, conditions and limitations of all of the provisions of this Policy, the Insurer and the Insureds agree as follows:

### I. GENERAL DEFINITIONS

- (A) **“Application”** means:
- (1) the **Application** attached to and forming part of this Policy; and
  - (2) any materials submitted therewith, which shall be retained on file by the Insurer and shall be deemed to be physically attached to this Policy.
- (B) **“Claim”** means:
- (1) any written notice received by an **Insured** that any person or entity intends to hold any **Insured** responsible for a **Wrongful Act**;
  - (2) any civil proceeding in a court of law or equity, or arbitration; or
  - (3) any criminal proceeding which is commenced by the return of an indictment.
- (C) **“Defense Expenses”** means reasonable legal fees and expenses incurred in the defense of any **Claim** including the premium for an appeal bond, attachment bond or similar bond but will not include applying for or furnishing such bond. **Defense Expenses** will not include any **Insured’s** overhead expenses or any salaries, wages, fees, or benefits of its directors, officers, trustees or employees.
- (D) **“Insured”** shall have the meaning given to that term in each Coverage Part attached hereto.
- (E) **“Insured Person”** shall have the meaning given to that term in each Coverage Part attached hereto.
- (F) **“Interrelated Wrongful Acts”** means **Wrongful Acts** which are based on, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any of the same or related or series of related facts, circumstances, situations, transactions or events.
- (G) **“Loss”** means damages, judgments, settlements or other amounts (including punitive or exemplary damages where insurable by law) in excess of the Retention that the **Insured** is obligated to pay, and **Defense Expenses**, whether incurred by the Insurer or the **Insured**, in excess of the Retention. **Loss** will not include:
- (1) the multiplied portion of any damage award;

- (2) matters which are uninsurable under the law pursuant to which this Policy is construed; and
- (3) fines, penalties or taxes imposed by law.

**NOTE:** With respect to judgments in which punitive damages are awarded, the coverage provided by this Policy shall apply to the broadest extent permitted by law. If, based on the written opinion of counsel for the **Insured**, punitive damages are insurable under applicable law the Insurer will not dispute the written opinion of counsel for the **Insured**.

- (H) “**Named Insured**” means the entity named in ITEM 1 of the Declarations.
- (I) “**Policy Period**” means the period from the Inception Date to the Expiration Date set forth in ITEM 2 of the Declarations or to any earlier cancellation date.
- (J) “**Subsidiary**” means any entity during any time in which the **Named Insured** owns, directly or through one or more **Subsidiary(ies)**, more than fifty percent (50%) of the outstanding securities representing the present right to vote for the election of such entity’s directors.
- (K) “**Wrongful Act**” shall have the meaning given to that term in each Coverage Part attached hereto.

## II. GENERAL CONDITIONS

### (A) LIMIT OF LIABILITY, RETENTIONS AND INDEMNIFICATION

- (1) The amounts set forth in ITEM 3(a) – 3(f) of the Declarations as the Maximum Aggregate Limit of Liability for each Coverage Part shall be the Maximum Aggregate Limit of Liability of the Insurer under such Coverage Part for all **Loss**, including **Defense Expenses**, from all **Claims** made or deemed made under such Coverage Part during the **Policy Period**. Each such amount shall be part of, and not in addition to, the amount set forth in ITEM 3(g) of the Declarations as the Maximum Aggregate Limit of Liability under the Policy for all **Loss** from all **Claims** for which this Policy provides coverage.
- (2) **Defense Expenses** incurred by the Insurer or by the **Insured** in defense of a **Claim** will be part of and not in addition to the Insurer’s Limits of Liability, and payment of **Defense Expenses** by the Insurer will reduce and may exhaust the Limits of Liability.
- (3) If coverage is available for a **Claim** under more than one Coverage Part, the maximum applicable Limit of Liability for such **Claim** shall be the largest applicable remaining Limit of Liability under only one of the applicable Coverage Parts.
- (4) With respect to a **Claim** under any Coverage Part attached hereto, the Insurer shall only pay **Loss** which is in excess of the amount set forth in ITEM 4 of the Declarations as the Retention applicable to each **Claim** under the applicable Coverage Part. If different Retentions are applicable to different parts of any **Loss** under this Policy, the applicable Retention will be applied separately to each part of such **Loss**, and the sum of such Retentions will not exceed the largest applicable Retention set forth in ITEM 4 of the Declarations.
- (5) The certificate of incorporation, charter, articles of association or other organizational documents of any **Insured** that is organized as a Corporation, Limited Liability Company, Limited Partnership, Investment Company or Trust, including bylaws and resolutions, will be deemed to provide indemnification to the **Insured Persons** to the fullest extent permitted by law.

### (B) DEFENSE, SETTLEMENT AND ALLOCATION OF LOSS

- (1) It shall be the duty of the **Insureds** to defend any **Claim** under this Policy.

- (2) No **Insured** may incur any **Defense Expenses** or admit any liability for, make any settlement offer with respect to, or settle any **Claim** without the Insurer's consent, such consent not to be unreasonably withheld. The Insurer will have the right to make investigations and conduct negotiations and, with the consent of the **Insured**, enter into such settlement of any **Claim** as the Insurer deems appropriate.
- (3) Notwithstanding GENERAL CONDITIONS (B)(2) above, the **Insured** may settle any **Claim** without the Insurer's prior written consent if the total **Loss**, including **Defense Expenses**, resulting from such **Claim** does not exceed fifty percent (50%) of the amount of the applicable Retention set forth in ITEM 4 of the Declarations; provided, however, the **Insured** must promptly advise the Insurer of any such settlement and provide any information in connection therewith that the Insurer may request. If the **Insured** reasonably expects that the total **Loss**, including **Defense Expenses**, resulting from any **Claim** will exceed fifty percent (50%) of the applicable retention, the Insurer shall have the right to participate in any settlement negotiations, and the **Insured** agrees to obtain the consent of the Insurer prior to making any settlement offer or responding to any settlement demand.
- (4) If both **Loss** covered by this Policy and loss not covered by this Policy are incurred, either because a **Claim** made against the **Insured** contains both covered and uncovered matters, or because a **Claim** is made against both the **Insured** and others not insured under this Policy, the **Insured** and the Insurer will use their best efforts to determine a fair and appropriate allocation of **Loss** between that portion of **Loss** that is covered under this Policy and that portion of loss that is not covered under this Policy. Additionally, the **Insured** and the Insurer agree that in determining a fair and appropriate allocation of **Loss**, the parties will take into account the relative legal and financial exposures of, and relative benefits obtained in connection with the defense and/or settlement of the **Claim** by, the **Insured** and others.
- (5) In the event that an agreement cannot be reached between the Insurer and the **Insured** as to an allocation of **Loss**, as described in GENERAL CONDITIONS (B)(4), the Insurer shall advance that portion of **Loss** which the **Insured** and the Insurer agree is not in dispute until a final amount is agreed upon or determined pursuant to the provisions of this Policy and applicable law.

(C) **NOTICE**

- (1) As a condition precedent to any right to payment under this Policy, the **Insured** shall give written notice to the Insurer of any **Claim** as soon as practicable after it is first made.
- (2) If, during the **Policy Period**, the **Insured** first becomes aware of a specific **Wrongful Act**, and if, during the **Policy Period**, the **Insured**:
  - (a) provides the Insurer with written notice of the specific **Wrongful Act**, the consequences which have resulted or may result therefrom (including but not limited to actual or potential damages), the identities of the potential claimants, and the circumstances by which the **Insured** first became aware of such **Wrongful Act**; and
  - (b) requests coverage under this Policy for any subsequently resulting **Claim** for such **Wrongful Act**;

then any **Claim** subsequently made arising out of such **Wrongful Act** will be treated as if it had been first made during the **Policy Period**.

- (3) All notices under GENERAL CONDITIONS (C)(1) and (2) must be sent by certified mail or the equivalent to the address set forth in ITEM 7 of the Declarations; Attention: Claim Department.

(D) **INTERRELATED CLAIMS**

All **Claims** arising from **Interrelated Wrongful Acts** shall be deemed to constitute a single **Claim** and shall be deemed to have been made at the earliest time at which the earliest such **Claim** is made or deemed to have been made pursuant to GENERAL CONDITIONS (C)(1) or, if applicable, GENERAL CONDITIONS (C)(2).

(E) **OTHER INSURANCE**

All **Loss** payable under this Policy will be specifically excess of, and will not contribute with, any other insurance, including but not limited to any insurance under which there is a duty to defend, unless such other insurance is specifically excess of this Policy. This Policy will not be subject to the terms of any other insurance policy.

(F) **CANCELLATION AND RENEWAL OF COVERAGE**

- (1) Except for the nonpayment of premium, as set forth in (F)(2) below, the **Named Insured** has the exclusive right to cancel this Policy. Cancellation may be effected by mailing to the Insurer written notice when such cancellation shall be effective, provided the date of cancellation is not later than the Policy Expiration Date set forth in ITEM 2 of the Declarations. In such event, the Insurer shall retain the customary short rate portion of the earned premium. Return or tender of the unearned premium is not a condition of cancellation.
- (2) The Insurer may only cancel this Policy for nonpayment of premium. The Insurer will provide not less than ten (10) days written notice stating when the Policy will be cancelled. Notice of cancellation will be sent to the **Named Insured** and the agent of record for the **Insured**, if applicable.
- (3) The Insurer is under no obligation to renew this Policy upon its expiration. Once the Insurer chooses to non-renew this Policy, the Insurer will deliver or mail to the **Named Insured** written notice stating such at least sixty (60) days before the Policy Expiration Date set forth in ITEM 2 of the Declarations.

(G) **OPTIONAL EXTENSION PERIOD**

- (1) If either the **Named Insured** or the Insurer does not renew this Policy, the **Named Insured** shall have the right, upon payment of an additional premium set forth in ITEM 5 of the Declarations, to a one or two year extension of the coverage provided by this Policy with respect only to any **Claim** first made during the one or two year period of time after the Policy Expiration Date, but only with respect to **Wrongful Acts** occurring prior to the Policy Expiration Date.
- (2) As a condition precedent to the right to purchase the Optional Extension Period the total premium for this Policy must have been paid in full. The right of the **Named Insured** to purchase the Optional Extension Period will be immediately terminated if the Insurer does not receive written notice by the **Named Insured** advising it wishes to purchase the Optional Extension Period together with full payment of the premium for the Optional Extension Period within thirty (30) days after the Policy Expiration Date.
- (3) If the **Named Insured** elects to purchase the Optional Extension Period as set forth in (G)(1) and (2) above, the entire premium for the Optional Extension Period will be deemed to be fully earned at the Inception Date of the Optional Extension Period.
- (4) The purchase of the Optional Extension Period will not in any way increase the Limits of Liability set forth in ITEM 3 of the Declarations, and the Limits of Liability with respect to **Claims** made during the Optional Extension Period shall be part of and not in addition to all applicable Limits of Liability for **Claims** made during the **Policy Period**.

(H) **SPOUSES, ESTATES AND LEGAL REPRESENTATIVES OF INSURED PERSONS**

The coverage afforded under this Policy shall, subject to all of its terms, conditions and exclusions, extend to:

- (1) the lawful spouse of any **Insured Person**; provided however, that this GENERAL CONDITION (H)(1) will apply only:
  - (a) to the extent that the spouse is a party to any **Claim** solely in his or her capacity as a spouse of such **Insured Person**; and
  - (b) for the purposes of any **Claim** seeking damages recoverable from marital community property, property jointly held by such **Insured Person** and spouse, or property transferred from such **Insured Person** to the spouse.
- (2) the estate, heirs, legal representatives or assigns of any **Insured Person** or assigns of any **Insured Person** who is deceased, or against the legal representatives or assigns of any **Insured Person** who is incompetent, insolvent or bankrupt.

(I) **ASSISTANCE, COOPERATION AND SUBROGATION**

- (1) The **Insured** agrees to provide the Insurer with all information, assistance and cooperation that the Insurer may reasonably request, and further agrees that it will do nothing which in any way increases the Insurer's exposure under this Policy or in any way prejudices the Insurer's potential or actual rights of recovery.
- (2) In the event of any payment under this Policy, the Insurer shall be subrogated to all of the potential or actual rights of recovery of the **Insured**. The **Insured** shall execute all papers required and will do everything necessary to secure such rights including but not limited to the execution of such documents as are necessary to enable the Insurer to effectively bring suit in their name, and will provide all other assistance and cooperation which the Insurer may reasonably require.

(J) **EXHAUSTION**

If the Insurer's Limit of Liability for the Policy, as set forth in ITEM 3(g) of the Declarations, is exhausted by the payment of **Loss**, the premium as set forth in ITEM 8 of the Declarations will be fully earned, all obligations of the Insurer under this Policy will be completely fulfilled and exhausted, and the Insurer will have no further obligations of any kind whatsoever under this Policy. If the Insurer's Limit of Liability for any Coverage Part, as set forth in ITEM 3(a) – (f) of the Declarations, is exhausted by the payment of **Loss**, all obligations of the Insurer under that Coverage Part will be completely fulfilled and exhausted, and the Insurer will have no further obligations of any kind whatsoever under that Coverage Part.

(K) **WARRANTY**

The **Insured** represents that the statements and particulars contained in the **Application** are true, accurate and complete, and agrees that this Policy is issued in reliance on the truth of that representation, and that such particulars and statements, which are deemed to be incorporated into and constitute a part of this Policy, are the basis of this Policy. No knowledge or information possessed by any **Insured** will be imputed to any other **Insured**. In the event that any of the particulars or statements in the **Application** are untrue, this Policy will be void with respect to any **Insured** who knew of such untruth or to whom such knowledge is imputed.

(L) **ACTION AGAINST THE INSURER, ASSIGNMENT, AND CHANGES TO THE POLICY**

- (1) No action may be taken against the Insurer unless, as a condition precedent thereto:
  - (a) there has been full compliance with all of the terms and conditions of this Policy; and
  - (b) the amount of the obligation of the **Insured** has been finally determined either by judgment against the **Insured** after actual trial, or by written agreement of the **Insured**, the claimant and the Insurer.



- (2) Nothing contained herein shall give any person or entity any right to join the Insurer as a party to any **Claim** against the **Insured** to determine its liability, nor may the **Insured** implead the Insurer in any **Claim**.
- (3) Assignment of interest under this Policy shall not bind the Insurer unless its consent is endorsed hereon.
- (4) Notice to any agent or knowledge possessed by any agent or other person acting on behalf of the Insurer will not cause a waiver or change in any part of this Policy or prevent the Insurer from asserting any right under the terms, conditions and limitations of this Policy. The terms, conditions and limitations of this Policy may only be waived or changed by written endorsement signed by the Insurer.

(M) **AUTHORIZATION AND NOTICES**

It is understood and agreed that the **Named Insured** will act on behalf of the **Insureds** with respect to:

- (1) the payment of the premiums,
- (2) the receiving of any return premiums that may become due under this Policy,
- (3) the giving of all notices to the Insurer as provided herein, and
- (4) the receiving of all notices from the Insurer.

(N) **ENTIRE AGREEMENT**

The **Insured** agrees that the Declarations, Policy, including the endorsements, attachments and the **Application** shall constitute the entire agreement between the Insurer or any of its agents and the **Insured** relating to this insurance.

## **INVESTMENT ADVISERS MANAGEMENT LIABILITY COVERAGE PART**

**THIS IS A CLAIMS MADE COVERAGE PART WITH DEFENSE EXPENSES INCLUDED IN THE LIMIT OF LIABILITY. PLEASE READ AND REVIEW THE POLICY CAREFULLY.**

**In consideration of the payment of the premium, and in reliance on all statements made and information furnished to the Company identified in the Declarations (hereinafter the Insurer), including the Application, and subject to all of the terms, conditions and limitations of all of the provisions of this Policy, the Insurer and the Insureds agree as follows:**

### **I. INSURING AGREEMENTS**

- (A) The Insurer shall pay on behalf of the **Insured Persons Loss** resulting from **Claims** first made against the **Insured Persons** during the **Policy Period** or, if applicable, the Optional Extension Period, for **Wrongful Acts**, except for **Loss** which the **Adviser** is permitted or required to pay on behalf of the **Insured Persons** as indemnification.
- (B) The Insurer shall pay on behalf of the **Adviser Loss** which the **Adviser** is required or is permitted to pay as indemnification to:
- (1) the **Insured Persons** resulting from **Claims** first made against the **Insured Persons**; or
  - (2) the **Adviser** resulting from **Claims** first made against the **Adviser**;
- during the **Policy Period** for **Wrongful Acts**.

### **II. DEFINITIONS**

- (A) "**Adviser**" means the **Named Insured** and any **Subsidiary** created or acquired on or before the Inception Date set forth in ITEM 2 of the Declarations or, subject to CONDITION (A) of this Coverage Part, during the **Policy Period**.
- (B) "**Claim**," as defined in GENERAL DEFINITIONS (B), shall be deemed to include, for purposes of this Coverage Part, a formal civil, criminal, administrative, or regulatory investigation of an **Insured** which is commenced by the filing or issuance of notice of charges, formal investigative order or similar document identifying in writing such **Insured** as a person or entity against whom a proceeding as described in GENERAL DEFINITIONS (B)(2) or (3) may be commenced.
- (C) "**Insured**" means the **Insured Persons** and the **Adviser**.
- (D) "**Insured Person**" means:
- (1) any past, present or future director, officer, or member of the Board of Managers of the **Adviser**;
  - (2) those persons serving in a functionally equivalent role for the **Named Insured** or any **Subsidiary** operating or incorporated outside the United States; and
  - (3) an individual identified in (D)(1) or (2) above who, at the specific written request of the **Adviser**, is serving as a director, officer, trustee, regent or governor of a **Non-Profit Entity**;

In the event of the death, incapacity or bankruptcy of an individual identified in (D)(1), (2) or (3) above, any **Claim** against the estate, heirs, legal representatives or assigns of such individual for a **Wrongful Act** of such individual will be deemed to be a **Claim** against such individual.

- (E) “**Non-Profit Entity**” means a corporation or organization, other than the **Adviser**, which is exempt from taxation under Section 501(c)(3), (4) or (10) of the Internal Revenue Code as amended or any rule or regulation promulgated thereunder.
- (F) “**Wrongful Act**” means:
- (1) with respect to any **Insured Person** of the **Adviser**, any actual or alleged act, error, omission, misstatement, misleading statement or breach of duty but solely by reason of his or her status as such; and
  - (2) with respect to the **Adviser**, any actual or alleged act, error, omission, misstatement, misleading statement or breach of duty by the **Adviser**.

### III. EXCLUSIONS

The Insurer shall not be liable to make any payment for **Loss** in connection with any **Claim** made against an **Insured**:

- (A) brought about or contributed to in fact by any:
- (1) intentionally dishonest, fraudulent or criminal act or omission or any willful violation of any statute, rule or law; or
  - (2) profit or remuneration gained by any **Insured** to which such **Insured** is not legally entitled;
- as determined by a final adjudication in the underlying action or in a separate action or proceeding. Each **Insured** agrees that, if the Insurer has no liability to an **Insured** for **Loss** as a result of a **Claim** by reason of this EXCLUSION (A), such **Insured** will repay the Insurer upon demand all **Loss** paid on behalf of such **Insured** in connection with such **Claim**;
- (B) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any fact, circumstance, situation, transaction, event or **Wrongful Act** which, before the Inception Date of this Policy, was the subject of any notice given under any other policy of insurance;
- (C) for any actual or alleged bodily injury, sickness, mental anguish, emotional distress, libel, slander, oral or written publication of defamatory or disparaging material, disease or death of any person, or damage or destruction of any tangible property including loss of use thereof;
- (D) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any actual, alleged or threatened discharge, dispersal, release, escape, seepage, transportation, emission, treatment, removal or disposal of pollutants, contaminants, or waste of any kind including but not limited to nuclear material or nuclear waste or any actual or alleged direction, request or voluntary decision to test for, abate, monitor, clean up, recycle, remove, recondition, reclaim, contain, treat, detoxify or neutralize pollutants, contaminants or waste of any kind including but not limited to nuclear material or nuclear waste;
- (E) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any fact, circumstance, situation, transaction, event or **Wrongful Act** underlying or alleged in any prior and/or pending litigation or administrative or regulatory proceeding which incepted prior to the Pending And Prior Proceeding Date set forth in ITEM 6(a) of the Declarations;
- (F) brought by, or on behalf of, or at the direction of any **Insured**, except and to the extent such **Claim**:

- (1) is brought derivatively by a security holder of the **Adviser** who, when such **Claim** is made and maintained, is acting independently of, and without the solicitation, assistance, participation or intervention of any **Insured**;
  - (2) is brought by the Bankruptcy Trustee or Examiner of the Company or any assignee of such Trustee or Examiner, or any Receiver, Conservator, Rehabilitator, or Liquidator or comparable authority of the **Adviser**;
  - (3) is brought in the form of a crossclaim, third party claim or other claim for contribution or indemnity by an **Insured Person** which is part of or results directly from a **Claim** which is not otherwise excluded by the terms of this Policy; or
  - (4) is brought for the actual or alleged wrongful termination of an **Insured Person**.
- (G) for any actual or alleged liability of the **Adviser** under any express contract or agreement; however, this EXCLUSION (G) will apply only to the coverage available to the **Adviser** under INSURING AGREEMENT (B)(2). With respect to this EXCLUSION (G), an “express contract or agreement” is defined as an actual agreement of the parties, the terms of which are openly set forth or declared at the time of making in clear or distinct language;
- (H) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving an **Insured Person** acting in his or her capacity as a director, officer, partner, principal, member, trustee or employee of any entity other than the **Adviser**;
- (I) for any actual or alleged violation of the Securities Act of 1933, the Securities Exchange Act of 1934 or any rule or regulation promulgated thereunder in connection with the offering, sale or purchase of securities of the **Adviser**; however, this EXCLUSION (I) shall not apply to any **Claim** arising out of the offering, sale or purchase of securities, whether debt or equity, in a transaction that is exempt from registration under the Securities Act of 1933;
- (J) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any actual or alleged violation of the Employee Retirement Income Security Act of 1974 (ERISA), as amended, or any regulation promulgated thereunder or any similar, federal, state or local law or regulation;
- (K) by, on behalf of, at the direction of or in the name or right of any **Non-Profit Entity** against an **Insured Person** for a **Wrongful Act** while acting in his or her capacity as a director, officer, trustee, regent or governor of such **Non-Profit Entity**; or
- (L) for any actual or alleged act, error, omission, misstatement, misleading statement or breach of duty in connection with the **Insured’s** rendering, or actual or alleged failure to render, services for others; however, this EXCLUSION (L) will not apply to any **Claim** brought by a security holder of the **Adviser** solely in their capacity as a security holder of the **Adviser**.

No conduct of any **Insured Person** will be imputed to any other **Insured Person** to determine the application of any of the above EXCLUSIONS.

#### IV. CONDITIONS

- (A) MERGERS AND ACQUISITIONS (CHANGES IN EXPOSURE OR CONTROL):
- (1) If, during the **Policy Period**, the **Adviser** acquires any assets, acquires a **Subsidiary**, or acquires any entity by merger (each an “Acquired Entity”) such that the **Adviser** is the surviving entity (a “Transaction”):

- (a) there will be coverage available under this Coverage Part for any **Claim** made against the Acquired Entity and its directors, officers, or members of the Board of Managers for any **Wrongful Act** committed or allegedly committed after the effective date of the Transaction for a period of ninety (90) days after the effective date of the Transaction (not to exceed the Policy Expiration Date);
  - (b) there will be no coverage available under this Coverage Part for any **Claim** made against the Acquired Entity or any of its directors, officers, or members of the Board of Managers for any **Wrongful Act** committed or allegedly committed after the effective date of the Transaction beyond the ninety (90) day period, unless:
    - (i) any of the gross annual fees, assets under management or assets of the Acquired Entity are less than thirty-five percent (35%) of the gross annual fees, assets under management or assets, respectively, of the **Adviser** at the time immediately preceding the Transaction; and
    - (ii) the **Named Insured** gives the Insurer written notice, with full details, of the Transaction within the ninety (90) day period;
  - (c) there will be no coverage available under this Coverage Part for any **Claim** made against the Acquired Entity or any of its directors, officers, or members of the Board of Managers for any **Wrongful Acts** committed or allegedly committed before the effective date of the Transaction.
- (2) If, during the **Policy Period**, any of the following events occurs:
- (a) the merger or acquisition of the **Adviser**, or of all or substantially all of its assets by another entity such that that the **Adviser** is not the surviving entity;
  - (b) the acquisition by any person, entity or affiliated group of persons or entities of the right to vote for, select or appoint more than fifty percent (50%) of the directors, trustees, or members of the Board of Managers of the **Adviser**; or
  - (c) the appointment of a Receiver, Conservator, Liquidator, Trustee, Rehabilitator, or any comparable authority, with respect to the **Adviser**;

coverage under this Coverage Part will continue in full force and effect with respect to **Claims** for **Wrongful Acts** committed before such event, but coverage will cease with respect to any **Claims** for **Wrongful Acts** committed after such event. Immediately upon the consummation of any such event the entire premium for this Coverage Part will be deemed fully earned.

- (3) If, during the **Policy Period**, any entity ceases to be a **Subsidiary**, the coverage provided under this Coverage Part shall continue to apply to the **Insureds** that were covered under this Coverage Part but only with respect to a **Claim** for a **Wrongful Act** that occurred or allegedly occurred prior to the time such **Subsidiary** ceased to be a **Subsidiary** of the **Named Insured**.

## INVESTMENT ADVISERS PROFESSIONAL LIABILITY COVERAGE PART

THIS IS A CLAIMS MADE COVERAGE PART WITH DEFENSE EXPENSES INCLUDED IN THE LIMIT OF LIABILITY. PLEASE READ AND REVIEW THE POLICY CAREFULLY.

In consideration of the payment of the premium, and in reliance on all statements made and information furnished to the Company identified in the Declarations (hereinafter the Insurer), including the Application, and subject to all of the terms, conditions and limitations of all of the provisions of this Policy, the Insurer and the Insureds agree as follows:

### I. INSURING AGREEMENT

The Insurer shall pay on behalf of the **Insureds Loss** resulting from **Claims** first made against the **Insureds** during the **Policy Period** or, if applicable, the Optional Extension Period, for **Wrongful Acts**.

### II. DEFINITIONS:

- (A) **"Adviser"** means the **Named Insured** and any **Subsidiary** created or acquired on or before the Inception Date set forth in ITEM 2 of the Declarations or, subject to CONDITION (A) of this Coverage Part, during the **Policy Period**.
- (B) **"Insured"** means the **Insured Persons** and the **Adviser**.
- (C) **"Insured Person"** means any past, present or future director, officer, partner, principal, member, trustee or employee of the **Adviser**.
- (D) **"Professional Services"** means:
  - (1) financial, economic or investment advice given or investment management services performed for others for a fee or commission by the **Adviser** or on behalf of the **Adviser** by any person or entity;
  - (2) the provision of computer and Internet services, administrative services, and publications prepared or written by any **Insured**, provided such services are performed in connection with the **Adviser's** financial or investment operations; or
  - (3) the selection, oversight and direction by any **Insured** of any person or entity performing **Professional Services** on behalf of the **Adviser**.
- (E) **"Wrongful Act"** means:
  - (1) any actual or alleged act, error, omission, misstatement, misleading statement or breach of fiduciary duty or other duty committed by any **Insured** in the performance of, or failure to perform, **Professional Services**; and
  - (2) any actual or alleged libel, slander, or oral or written publication of defamatory or disparaging material committed by any **Insured** in the performance of **Professional Services**.

### III. EXCLUSIONS

The Insurer shall not be liable to make any payment for **Loss** in connection with any **Claim** made against an **Insured**:

- (A) brought about or contributed to in fact by any:
- (1) intentionally dishonest, fraudulent or criminal act or omission or any willful violation of any statute, rule or law; or
  - (2) profit or remuneration gained by any **Insured** to which such **Insured** is not legally entitled;
- as determined by a final adjudication in the underlying action or in a separate action or proceeding. Each **Insured** agrees that, if the Insurer has no liability to an **Insured** for **Loss** as a result of a **Claim** by reason of this EXCLUSION (A), such **Insured** will repay the Insurer upon demand all **Loss** paid on behalf of such **Insured** in connection with such **Claim**;
- (B) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any fact, circumstance, situation, transaction, event or **Wrongful Act** which, before the Inception Date of this Policy, was the subject of any notice given under any other policy of insurance;
- (C) for any actual or alleged bodily injury, sickness, mental anguish, emotional distress, libel, slander, invasion of privacy, malicious use or abuse of process, malicious prosecution, wrongful entry or eviction, false arrest, false imprisonment, assault, battery, oral or written publication of defamatory or disparaging material, disease or death of any person, or damage or destruction of any tangible property including loss of use thereof; however, this EXCLUSION (C) will not apply to any:
- (1) alleged mental anguish or emotional distress to the extent that they arise from an **Insured's** performance of **Professional Services**;
  - (2) actual or alleged libel, slander, oral or written publication of defamatory or disparaging material committed by an **Insured** in the performance of **Professional Services**; or
  - (3) **Claim** arising from damage to, destruction of, or loss of use of, client records in an **Insured's** possession.
- (D) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any actual, alleged or threatened discharge, dispersal, release, escape, seepage, transportation, emission, treatment, removal or disposal of pollutants, contaminants, or waste of any kind including but not limited to nuclear material or nuclear waste or any actual or alleged direction, request or voluntary decision to test for, abate, monitor, clean up, recycle, remove, recondition, reclaim, contain, treat, detoxify or neutralize pollutants, contaminants or waste of any kind including but not limited to nuclear material or nuclear waste;
- (E) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any fact, circumstance, situation, transaction, event or **Wrongful Act** underlying or alleged in any prior and/or pending litigation or administrative or regulatory proceeding which incepted prior to the Pending And Prior Proceeding Date set forth in ITEM 6(b) of the Declarations;
- (F) brought by, or on behalf of, or at the direction of any **Insured**, except and to the extent such **Claim** is brought:
- (1) in the form of a crossclaim, third party claim or other claim for contribution or indemnity by an **Insured Person** which is part of or results directly from a **Claim** which is not otherwise excluded by the terms of this Policy;
  - (2) by an **Insured Person**, solely in his or her capacity as a client or customer of the **Adviser**; or

- (3) by an **Insured** with respect to which failure to make such **Claim** would result in liability to the **Insured** for failure to do so;
- (G) for any actual or alleged liability of the **Adviser** under any express contract or agreement; however, this EXCLUSION (G) will not apply to:
  - (1) any **Claim** against an **Insured** by a client or customer of the **Adviser**, if and to the extent that the **Claim** alleges a breach of contractual obligations in the rendering of or failure to render **Professional Services**; or
  - (2) liability which would attach to an **Insured** even in the absence of a contract or agreement.

With respect to this EXCLUSION (G), an “express contract or agreement” is defined as an actual agreement of the parties, the terms of which are openly set forth or declared at the time of making in clear or distinct language;

- (H) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving an **Insured Person** acting in his or her capacity as a director, officer, partner, principal, member, trustee or employee of any entity other than the **Adviser**;
- (I) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any actual or alleged violation of the Employee Retirement Income Security Act of 1974 (ERISA), as amended, or any regulation promulgated thereunder or any similar, federal, state or local law or regulation; however, this EXCLUSION (I) will only apply to any **Insured’s** pension, employee benefit or welfare plan;
- (J) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving the **Insured’s** rendering of investment banking services, including:
  - (1) the underwriting, syndicating or promoting of any debt or equity securities; or
  - (2) service as a consultant, adviser or specialist relating to or in connection with any actual, attempted or threatened merger, acquisition, securities offering, restructuring, divestiture or other investment banking activity;
- (K) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving the insolvency of any bank, banking firm, broker or dealer in securities, or any other person or entity, or the inability of any such entity or person to make any payment or settle or effect any transaction of any kind; however, this EXCLUSION (K) will not apply to any **Claim** arising from the performance of, or failure to perform, **Professional Services**.
- (L) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any **Insured’s** activity as a “broker” or “dealer” in securities, as those terms are defined in Section 3(a)(4), 3(a)(5) and 3(a)(6) of the Securities and Exchange Act of 1934, as amended; however, this EXCLUSION (L) will not apply to any **Claim** based on an **Insured’s** distribution, underwriting or resale of securities purchased by an **Insured** directly from a mutual fund affiliated with the **Insured** solely for resale to shareholders of that fund.

No conduct of any **Insured Person** will be imputed to any other **Insured Person** to determine the application of any of the above EXCLUSIONS.



#### IV. CONDITIONS

##### (A) MERGERS AND ACQUISITIONS (CHANGES IN EXPOSURE OR CONTROL):

- (1) If, during the **Policy Period**, the **Adviser** acquires any assets, acquires a **Subsidiary**, or acquires any entity by merger (each an "Acquired Entity") such that the **Adviser** is the surviving entity (a "Transaction"):
  - (a) there will be coverage available under this Coverage Part for any **Claim** made against the Acquired Entity and its directors, officers, partners, principals, members, trustees or employees for any **Wrongful Act** committed or allegedly committed after the effective date of the Transaction for a period of ninety (90) days after the effective date of the Transaction (not to exceed the Policy Expiration Date);
  - (b) there will be no coverage available under this Coverage Part for any **Claim** made against the Acquired Entity or any of its directors, officers, partners, principals, members, trustees or employees for any **Wrongful Act** committed or allegedly committed after the effective date of the Transaction beyond the ninety (90) day period, unless:
    - (i) any of the gross annual fees, assets under management or assets of the Acquired Entity are less than thirty-five percent (35%) of the gross annual fees, assets under management or assets, respectively, of the **Adviser** at the time immediately preceding the Transaction; and
    - (ii) the **Named Insured** gives the Insurer written notice, with full details, of the Transaction within the ninety (90) day period;
  - (c) there will be no coverage available under this Coverage Part for any **Claim** made against the Acquired Entity or any of its directors, officers, partners, principals, members, trustees or employees for any **Wrongful Acts** committed or allegedly committed before the effective date of the Transaction.
- (2) If, during the Policy Period, any of the following events occurs:
  - (a) the merger or acquisition of the **Adviser**, or of all or substantially all of its assets by another entity such that that the **Adviser** is not the surviving entity;
  - (b) the acquisition by any person, entity or affiliated group of persons or entities of the right to vote for, select or appoint more than fifty percent (50%) of the directors, trustees, or members of the Board of Managers of the **Adviser**; or
  - (c) the appointment of a Receiver, Conservator, Liquidator, Trustee, Rehabilitator, or any comparable authority, with respect to the **Adviser**;

coverage under this Coverage Part will continue in full force and effect with respect to **Claims** for **Wrongful Acts** committed before such event, but coverage will cease with respect to any **Claims** for **Wrongful Acts** committed after such event. Immediately upon the consummation of any such event the entire premium for this Coverage Part will be deemed fully earned.

- (3) If, during the **Policy Period**, any entity ceases to be a **Subsidiary**, the coverage provided under this Coverage Part shall continue to apply to the **Insureds** that were covered under this Coverage Part but only with respect to a **Claim** for a **Wrongful Act** that occurred or allegedly occurred prior to the time such **Subsidiary** ceased to be a **Subsidiary** of the **Named Insured**.

## INVESTMENT FUND MANAGEMENT AND PROFESSIONAL LIABILITY COVERAGE PART

THIS IS A CLAIMS MADE COVERAGE PART WITH DEFENSE EXPENSES INCLUDED IN THE LIMIT OF LIABILITY. PLEASE READ AND REVIEW THE POLICY CAREFULLY.

In consideration of the payment of the premium, and in reliance on all statements made and information furnished to the Company identified in the Declarations (hereinafter the Insurer), including the Application, and subject to all of the terms, conditions and limitations of all of the provisions of this Policy, the Insurer and the Insureds agree as follows:

### I. INSURING AGREEMENT

The Insurer shall pay on behalf of the **Insureds Loss** resulting from **Claims** first made against the **Insureds** during the **Policy Period** or, if applicable, the Optional Extension Period, for **Wrongful Acts**.

### II. DEFINITIONS:

(A) “**Insured**” means:

- (1) the **Named Insured**;
- (2) the **Insured Persons**;
- (3) each **Investment Fund**;
- (4) the general partner or managing general partner of each **Investment Fund** that is organized as a limited partnership; and
- (5) the managing member of each **Investment Fund** that is organized as a limited liability company;

An **Outside Entity** is not an **Insured**.

(B) “**Insured Entity**” means any **Insured** that is organized as a corporation, limited liability company or limited partnership.

(C) “**Insured Person**” means any past, present or future director, officer, partner, principal, member, trustee or employee of:

- (1) an **Investment Fund**;
- (2) the general partner or managing general partner of each **Investment Fund** that is organized as a limited partnership; and
- (3) the managing member of any **Investment Fund** organized as a limited liability company.
- (4) any individual serving on an advisory board or advisory committee of an **Investment Fund**, which advisory board or advisory committee was created pursuant to a limited partnership agreement or equivalent documents of such **Investment Fund**.

- (D) **“Investment Fund”** means:
- (1) any fund which is listed in the Schedule of **Investment Funds** attached to and forming part of this Coverage Part; and
  - (2) subject to CONDITION (A) of this Coverage Part, any pooled investment vehicle formed by the **Named Insured** during the **Policy Period**.
- (E) **“Non-Profit Entity”** means a corporation or organization, other than an **Insured**, which is exempt from taxation under Section 501(c)(3), (4) and (10) of the Internal Revenue Code as amended or any rule or regulation promulgated thereunder.
- (F) **“Outside Capacity”** means service by an **Insured Person** as a director, officer, trustee, regent, governor or member of the Board of Managers of an **Outside Entity**, but only during the time that such service is at the specific request of an **Insured Entity**.
- (G) **“Outside Entity”** means any **Non-Profit Entity** and any **Portfolio Company**.
- (H) **“Portfolio Company”** means any entity during any time in which an **Insured**, through an **Investment Fund**, owns or controls outstanding securities representing the right to vote for the election of such entity’s directors or members of the Board of Managers.
- (I) **“Professional Services”** means:
- (1) advisory or other services performed by an **Investment Fund** or on behalf of an **Investment Fund** by any person or entity, provided such services are performed in connection with the management or operation of such **Investment Fund**.
  - (2) the provision of computer and Internet services, administrative services, and publications prepared or written by any **Insured**, provided such services are performed in connection with the management or operation of an **Investment Fund**.
  - (3) the selection, oversight and direction by any **Insured** of any person or entity performing **Professional Services** on behalf of an **Investment Fund**.
- (J) **“Wrongful Act”** means:
- (1) any actual or alleged act, error, omission, misstatement, misleading statement or breach of fiduciary duty or other duty committed by an **Insured** in the performance of, or failure to perform, **Professional Services**;
  - (2) any actual or alleged libel, slander, or oral or written publication of defamatory or disparaging material committed by an **Insured** in the performance of **Professional Services**;
  - (3) any actual or alleged act, error, omission, misstatement, misleading statement or breach of fiduciary duty or other duty committed by an **Insured Person** in his or her capacity as a director, officer, member of the Board of Managers, general partner, or managing general partner of an **Investment Fund**;
  - (4) any matter asserted against an **Insured Person** solely by reason of his or her status as a director, officer, member of the Board of Managers, general partner, or managing general partner of an **Investment Fund**; and
  - (5) any actual or alleged act, error, omission, misstatement, misleading statement or breach of duty by an **Insured Person** in his or her **Outside Capacity**.

**III. EXCLUSIONS:**

The Insurer shall not be liable to make any payment for **Loss** in connection with any **Claim** made against an **Insured**:

- (A) brought about or contributed to in fact by any:
- (1) intentionally dishonest, fraudulent or criminal act or omission or any willful violation of any statute, rule or law; or
  - (2) profit or remuneration gained by any **Insured** to which such **Insured** is not legally entitled;
- as determined by a final adjudication in the underlying action or in a separate action or proceeding. Each **Insured** agrees that, if the Insurer has no liability to an **Insured** for **Loss** as a result of a **Claim** by reason of this EXCLUSION (A), such **Insured** will repay the Insurer upon demand all **Loss** paid on behalf of such **Insured** in connection with such **Claim**;
- (B) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any fact, circumstance, situation, transaction, event or **Wrongful Act** which, before the Inception Date of this Policy, was the subject of any notice given under any other policy of insurance;
- (C) for any actual or alleged bodily injury, sickness, mental anguish, emotional distress, libel, slander, invasion of privacy, malicious use or abuse of process, malicious prosecution, wrongful entry or eviction, false arrest, false imprisonment, assault, battery, oral or written publication of defamatory or disparaging material, disease or death of any person, or damage or destruction of any tangible property including loss of use thereof; however, this EXCLUSION (C) will not apply to any:
- (1) alleged mental anguish or emotional distress to the extent that they arise from an **Insured's** performance of **Professional Services**;
  - (2) actual or alleged libel, slander, oral or written publication of defamatory or disparaging material committed by an **Insured** in the performance of **Professional Services**; or
  - (3) **Claim** arising from damage to, destruction of, or loss of use of, client records in an **Insured's** possession.
- (D) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any actual, alleged or threatened discharge, dispersal, release, escape, seepage, transportation, emission, treatment, removal or disposal of pollutants, contaminants, or waste of any kind including but not limited to nuclear material or nuclear waste or any actual or alleged direction, request or voluntary decision to test for, abate, monitor, clean up, recycle, remove, recondition, reclaim, contain, treat, detoxify or neutralize pollutants, contaminants or waste of any kind including but not limited to nuclear material or nuclear waste;
- (E) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any fact, circumstance, situation, transaction, event or **Wrongful Act** underlying or alleged in any prior and/or pending litigation or administrative or regulatory proceeding which incepted prior to the Pending And Prior Proceeding Date set forth in ITEM 6(d) of the Declarations;
- (F) brought by, or on behalf of, or at the direction of any **Insured**, except and to the extent such **Claim** is brought:
- (1) in the form of a crossclaim, third party claim or other claim for contribution or indemnity by an **Insured Person** which is part of or results directly from a **Claim** which is not otherwise excluded by the terms of this Policy;
  - (2) by an **Insured** with respect to which failure to make such **Claim** would result in liability to the **Insured** for failure to do so; or

- (3) derivatively by a security holder of an **Investment Fund** who, when such **Claim** is made and maintained, is acting independently of, and without the solicitation, assistance, participation or intervention of any **Insured**.
- (G) for any actual or alleged liability of an **Insured** under any express contract or agreement; however, this EXCLUSION (G) will not apply to liability which would attach to an **Insured** even in the absence of a contract or agreement. With respect to this EXCLUSION (G), an “express contract or agreement” is defined as an actual agreement of the parties, the terms of which are openly set forth or declared at the time of making in clear or distinct language.
- (H) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving an **Insured Person** acting in his or her capacity as a director, officer, partner, principal, member, trustee or employee of any entity other than an **Insured** or **Outside Entity**;
- (I) brought by or on behalf of, or in the name or right of, any **Outside Entity** against an **Insured Person** for a **Wrongful Act** committed in his or her **Outside Capacity** with respect to such **Outside Entity**; however, this EXCLUSION (I) will not apply to any derivative action by a security holder of an **Outside Entity** on behalf of, or in the name or right of, an **Outside Entity**, if such action is brought and maintained independently of, and without the solicitation, assistance, participation or intervention of, any **Outside Entity** or **Insured**.
- (J) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any actual or alleged violation of the Employee Retirement Income Security Act of 1974 (ERISA), as amended, or any regulation promulgated thereunder or any similar, federal, state or local law or regulation; however, this EXCLUSION (J) will only apply to any **Insured’s** pension, employee benefit or welfare plan;
- (K) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any **Insured’s** activity as a “broker” or “dealer” in securities, as those terms are defined in Section 3(a)(4), 3(a)(5) and 3(a)(6) of the Securities and Exchange Act of 1934, as amended; however, this EXCLUSION (K) will not apply to any **Claim** arising from the rendering or failing to render **Professional Services**;

No conduct of any **Insured Person** will be imputed to any other **Insured Person** to determine the application of any of the above EXCLUSIONS.

#### IV. CONDITIONS

(A) NEWLY CREATED INVESTMENT FUNDS:

If, during the Policy Period, an **Insured Entity** creates an **Investment Fund**:

- (1) there will be coverage available under this Coverage Part for any **Claim** made against the newly created **Investment Fund** or its general partner(s), managing general partner(s), managing member(s), directors, officers, partners, principals, trustees or employees for a period of ninety (90) days after the creation of such **Investment Fund**; and
- (2) there will be no coverage available under this Coverage Part for any **Claim** made against the newly created **Investment Fund** or its general partner(s), managing general partner(s), managing member(s), directors, officers, partners, principals, trustees or employees after the creation of such **Investment Fund** beyond the ninety (90) day period unless:
- (a) the offering amount of the newly created **Investment Fund** is less than 175% of the offering amount of the most recently created **Investment Fund** which is listed in the Schedule of **Investment Funds** attached to and forming part of this Coverage Part; and

- (b) the **Named Insured** gives the Insurer written notice, with full details, of the creation of such **Investment Fund** within the ninety (90) day period.

(B) MERGERS AND ACQUISITIONS (CHANGES IN EXPOSURE OR CONTROL):

- (1) If, during the **Policy Period**, an **Insured Entity** acquires a **Subsidiary**, or acquires any entity by merger (each an "Acquired Entity") such that the **Insured Entity** is the surviving entity (a "Transaction"):

- (a) there will be coverage available under this Coverage Part for any **Claim** made against the Acquired Entity and its directors, officers, partners, principals, members or trustees for any **Wrongful Act** committed or allegedly committed after the effective date of the Transaction for a period of ninety (90) days after the effective date of the Transaction (not to exceed the Policy Expiration Date);

- (b) there will be no coverage available under this Coverage Part for any **Claim** made against the Acquired Entity or any of its directors, officers, partners, principals, members or trustees for any **Wrongful Act** committed or allegedly committed after the effective date of the Transaction beyond the ninety (90) day period, unless:

- (i) any of the gross annual fees, assets under management or assets of the Acquired Entity are less than thirty-five percent (35%) of the gross annual fees, assets under management or assets, respectively, of the **Insured Entity** at the time immediately preceding the Transaction; and

- (ii) the **Named Insured** gives the Insurer written notice, with full details, of the Transaction within the ninety (90) day period;

- (c) there will be no coverage available under this Coverage Part for any **Claim** made against the Acquired Entity or any of its directors, officers, partners, principals, members, trustees or employees for any **Wrongful Acts** committed or allegedly committed before the effective date of the Transaction.

- (2) If, during the **Policy Period**, any of the following events occurs:

- (a) the merger or acquisition of an **Insured Entity**, or of all or substantially all of its assets by another entity such that that the **Insured Entity** is not the surviving entity;

- (b) the acquisition by any person, entity or affiliated group of persons or entities of the right to vote for, select or appoint more than fifty percent (50%) of the directors, trustees, members or board of management of an **Insured Entity**;

- (c) the appointment of a Receiver, Conservator, Liquidator, Trustee, Rehabilitator, or any comparable authority, with respect to an **Insured Entity**; or

- (d) the sale, spin-off or termination of an **Insured Entity**;

coverage under this Coverage Part will continue in full force and effect for such **Insured Entity** with respect to **Claims** for **Wrongful Acts** committed before such event, but coverage will cease with respect to any **Claims** for **Wrongful Acts** committed after such event. Immediately upon the consummation of any such event the entire premium for this Coverage Part will be deemed fully earned.

- (3) If, during the **Policy Period**, any entity ceases to be a **Subsidiary**, the coverage provided under this Coverage Part shall continue to apply to the **Insureds** that were covered under this Coverage Part but

only with respect to a **Claim** for a **Wrongful Act** that occurred or allegedly occurred prior to the time such **Subsidiary** ceased to be a **Subsidiary** of the **Named Insured**.

(C) SERVICE IN CONNECTION WITH OUTSIDE ENTITIES

- (1) All coverage under this Coverage Part for **Loss** from **Claims** made against **Insured Persons** while acting in their **Outside Capacities** will be specifically excess of, and will not contribute with,
  - (a) any other insurance available to such **Insured Persons** by reason of their service in **Outside Capacities**; and
  - (b) any indemnification by any person or entity other than an **Insured Entity**, including any **Outside Entity**, available to such **Insured Persons** by reason of their service in **Outside Capacities**.
- (2) The certificate of incorporation, charter, articles of association or other organizational documents of each **Outside Entity**, including bylaws and resolutions, will be deemed to provide indemnification to the **Insured Persons** to the fullest extent permitted by law.
- (3) If, during the **Policy Period**, an **Insured Person** discontinues his or her service in an **Outside Capacity**, coverage under this Coverage Part will continue in full force and effect for the **Insured Person** in such **Outside Capacity**, but only with respect to **Claims** for **Wrongful Acts** committed before the time the **Insured Person** discontinued serving in such capacity.