

## 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.

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