

MUTUAL 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 the **Insured Persons** and any **Mutual Fund**.
- (B) **"Insured Person"** means any past, present or future director, officer, partner, principal, member, trustee or employee of a **Mutual Fund**.
- (C) **"Mutual Fund"** means:
 - (1) any investment company or trust which is listed in the Schedule of Mutual Funds attached to and forming part of this Coverage Part and which is registered under the Investment Company Act of 1940 or under similar international law governing such investment company or trust;
 - (2) any series or portfolios of any such investment company or trust existing as of the effective date of this Coverage Part or created during the **Policy Period**; and
 - (3) any investment company or trust created or sponsored by any **Mutual Fund** during the **Policy Period**.
- (D) **"Professional Services"** means:
 - (1) financial, economic or investment advice given or investment management services performed for others for a fee or commission by a **Mutual Fund** or on behalf of a **Mutual Fund** 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 a **Mutual Fund'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 a **Mutual Fund**.

- (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 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 or officer of a **Mutual Fund**; and
 - (4) any matter asserted against an **Insured Person** solely by reason of his or her status as a director or officer of a **Mutual Fund**.

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, 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**; or
 - (2) **Claim** arising from damage to, destruction of, or loss of use of, client records in an **Insured’s** possession.
- (D) for any actual or alleged libel or slander; however, this EXCLUSION (D) will not apply to any alleged libel or slander committed by an **Insured** in the performance of **Professional Services**.
- (E) 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;

- (F) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving 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(c) of the Declarations and any fact, circumstance, situation, transaction, event or **Wrongful Act** underlying or alleged therein;
- (G) 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 a **Mutual Fund** who, when such **Claim** is made and maintained, is acting independently of, and without the solicitation, assistance, participation or intervention of any **Insured**.
- (H) 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.
- (I) 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, member, trustee or employee of any entity other than a **Mutual Fund**;
- (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 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;
- however, this EXCLUSION (K) will not apply to any **Claim** based on the issuance of a **Mutual Fund's** shares or the restructuring of any **Mutual Fund**.
- (L) 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 (L) will not apply to any **Claim** arising from the performance of or failure to perform **Professional Services**.
- (M) 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 (M) 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** by any "broker" or "dealer" 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**, a **Mutual Fund** acquires a **Subsidiary**, or acquires any entity by merger (each an "Acquired Entity") such that the **Mutual Fund** 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 **Mutual Fund** 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 any **Mutual Fund**, or of all or substantially all of its assets by another entity such that that the **Mutual Fund** 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 any **Mutual Fund**;
 - (c) the appointment of a Receiver, Conservator, Liquidator, Trustee, Rehabilitator, or any comparable authority, with respect to any **Mutual Fund**; or
 - (d) the sale, spin-off or termination of any **Mutual Fund**;

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**.

SPECIMEN