INVESTMENT ADVISER PROFESSIONAL LIABILITY Coverage Part

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**INSURING AGREEMENT**

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Investment Adviser Professional Liability Coverage

The Insurer shall pay **Loss** of an **Insured** on account of a **Claim** first made against such **Insured** during the **Policy Period** or the Extended Reporting Period, if applicable, for a **Wrongful Act** that takes place before or during the **Policy Period**.

As a condition precedent to the coverage afforded by this Insuring Agreement, the **Insured** shall report any such **Claim** in writing to the Insurer as soon as practicable after the risk manager, general counsel, chief compliance officer, or the functional equivalent of the foregoing in an **Entity Insured** first becomes aware of such **Claim**, but in no event later than ninety (90) days after the expiration of the **Policy Period**, or, with respect to a **Claim** made during the Extended Reporting Period, no later than the expiration of the Extended Reporting Period.

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**DEFINITIONS**

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For purposes of this **Coverage Part**, and whether singular or plural, the following Definitions apply:

**Entity Insured** means an **Insured** in this **Coverage Part** that is not a natural person.

**Insured** means an **Investment Adviser**. **Insured** does not include an **Investment Vehicle**.

**Insured** **Individual** means an **Executive** or **Employee** of an **Entity Insured** in his or her capacity as such.

**Investment Adviser** means:

1. an **Organization** if such **Organization** is registered as an investment adviser under the Investment Advisers Act of 1940, as amended;

2. an **Organization** that is designated as an investment adviser of a **Private Fund** if the Private Fund Liability **Coverage Part** is purchased or a **Registered Fund** if the Registered Fund Liability **Coverage Part** is purchased;

3. an **Insured Individual** of an **Organization** that is an **Investment Adviser** in such **Insured Individual’s** capacity as such; or

4. any entity scheduled by written endorsement to this **Coverage Part** as an **Investment** **Adviser**.

**Investment Advisory Services** means:

1. the provision of financial, economic, or investment advice;

2. investment management, portfolio management, or asset allocation services;

3. the formation or capitalization of, and the solicitation or sale of shares or interests in, any **Investment Vehicle**;

4. the review, analysis, selection, and monitoring of other investment vehicles for investment by an **Investment Vehicle**;

5. the preparation and review of financial statements for any **Investment Vehicle**, including the tracking of capital contributions and computation of such **Investment Vehicle’s** net asset value and investor returns;

6. the preparation and publication of written material in connection with, and compliance and regulatory monitoring, reporting, and oversight incidental to, the services described in Paragraphs 1 through 5 of this Definition; or

7. the selection, oversight, or direction of any outside service provider;

by an **Investment Adviser** to a customer or client pursuant to a contract and performed in exchange for a fee, or would normally be performed in exchange for a fee, but for business reasons such fee is waived.

**Investment Vehicle** means a fund, trust, investment company, or other investment vehicle, other than an issuer of asset backed securities, for which an **Insured** provides **Investment Advisory Services**.

**Wrongful Act** means any error, misstatement, misleading statement, act, omission, neglect, or breach of duty actually or allegedly committed or attempted by:

1. an **Investment Adviser**; or

2. a person or entity for whose acts an **Investment Adviser** is legally liable;

in the performance of, or the failure to perform, **Investment Advisory Services**.

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**EXCLUSIONS**

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The following Exclusions are applicable to this **Coverage Part** only:

A. Bodily Injury and Property Damage

The Insurer shall not be liable for **Loss** on account of any **Claim** for:

1. actual or alleged bodily injury, mental anguish, emotional distress, sickness, disease, or death of any person; or

2. damage to or destruction of any tangible property or electronic data or loss of use thereof;

except that Paragraph 1 of this Exclusion does not apply to a **Claim** for emotional distress or mental anguish that arises from an **Insured’s** performance of or the failure to perform **Investment Advisory Services**.

B. Conduct / Illegal Profit

The Insurer shall not be liable for **Loss** on account of any **Claim** based upon, arising from, or attributable to:

1. the gaining of any profit, remuneration, or advantage to which the **Insured** was not legally entitled; or

2. any deliberate criminal or deliberate fraudulent act or omission by an **Insured**;

if established by any final and non-appealable adjudication in a **Claim** other than an action or proceeding brought by the Insurer.

Notwithstanding the foregoing, Paragraph 1 of this Exclusion does not apply to any **Claim** for an actual or alleged violation of Section 11, 12, or 15 of the Securities Act of 1933, as amended, unless it is established by a final and non-appealable adjudication in a **Claim** other than an action or proceeding brought by the Insurer that the **Loss** attributable to such violation constitutes profit or remuneration to which the **Insured** was not legally entitled.

Solely with respect to this Exclusion, the conduct of an **Entity** **Insured** or an **Insured Individual** shall not be imputed to any other **Insured Individual**, and only the conduct of an **Executive** of an **Entity Insured** shall be imputed to that **Entity Insured** and its **Subsidiaries**.

C. Contractual Liability

The Insurer shall not be liable for **Loss** on account of any **Claim** alleging an **Insured's** liability under any contract or agreement, regardless of whether such liability is direct or assumed; except that this Exclusion does not apply to:

1. any **Claim** by or on behalf of a customer or client of the **Insured**, including but not limited to an investor in an **Investment Vehicle**, in his, her, or its capacity as such to the extent that such **Claim** alleges a breach of contract in the performance of or the failure to perform **Investment Advisory Services**; or

2. liability that would attach to an **Insured** in the absence of such contract or agreement;

D. Investment Banking

The Insurer shall not be liable for **Loss** on account of any **Claim** based upon, arising from, or attributable to the performance of, or the failure to perform, investment banking services, including, but not limited to, advice related to mergers, acquisitions, divestitures, restructurings, issuance of securities, syndication, or similar services; except that this Exclusion does not apply to performance of **Investment Advisory Services** relating to any investment in the securities of entities involved in mergers, acquisitions, divestitures, restructurings, issuance of securities, or syndication, if the **Insured** is not providing services to or on behalf of any party to such transaction in connection with that transaction.

E. Personal Injury

The Insurer shall not be liable for **Loss** on account of any **Claim** for harassment, violation of privacy, wrongful entry, eviction, false arrest, false imprisonment, malicious prosecution, assault, or battery.

F. Pollution

The Insurer shall not be liable for **Loss** on account of any **Claim** based upon, arising from, or attributable to:

1. an actual, alleged, or threatened discharge, release, escape, seepage, migration, dispersal, or disposal of **Pollutants** into or on real or personal property, water, or the atmosphere; or

2. any direction or request that an **Insured** test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize **Pollutants**, or any voluntary decision to do so;

except that this Exclusion does not apply to a **Claim** brought by or on behalf of a customer or client of the **Insured** or an investor in an **Investment Vehicle** if such **Claim** arises from the diminution in value of an investment resulting from the performance of **Investment Advisory Services**.

G. Underwriter and Broker Dealer

The Insurer shall not be liable for **Loss** on account of any **Claim** based upon, arising from, or attributable to any activities of an **Insured** as an underwriter as defined in Section 2.(11) of the Securities Act of 1933, as amended, or as a broker or dealer, as those terms are defined in Sections 3.(a)(4) and 3.(a)(5), respectively, of the Securities Exchange Act of 1934, as amended.

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**CONDITIONS**

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A. Subrogation

Notwithstanding the Subsection entitled Subrogation of the General Terms and Conditions, if the Insurer’s right of subrogation arises from profit, remuneration, or conduct that is the subject of the Conduct / Illegal Profit Exclusion of this **Coverage Part**, then the Insurer shall not exercise its right of subrogation against any **Insured Individual** with respect to this **Coverage Part** unless that Exclusion applies to such **Insured Individual**.

B. Indemnification Obligations

For purposes of this **Coverage Part**, the articles of incorporation or bylaws, or resolutions by shareholders, the board of directors, the board of managers, trustees, or similar resolutions of the **Entity Insureds** shall be deemed to require indemnification of the **Insured Individuals** for all **Loss** to the fullest extent permitted by law and the **Entity Insureds** shall be deemed under this **Coverage Part** to provide such indemnification to the fullest extent permitted by law.