



In consideration of payment of the premium and subject to the Declarations, General Terms and Conditions, limitations, conditions, provisions and other terms of this Policy, the Company and the **Insureds** agree as follows:

I. INSURING CLAUSES

Insuring Clause (A): Fund Entity and Insured Person Liability Coverage

- (A) The Company shall pay, on behalf of a **Fund Entity** or an **Insured Person**, **Loss** which such **Insured** becomes legally obligated to pay on account of any **Claim** first made against such **Insured**, during the **Policy Period** or, if exercised, during the Extended Reporting Period, for a **Wrongful Act** by such **Insured** or by any natural person or entity for whose acts the **Insured** becomes legally liable, before or during the **Policy Period**.

Insuring Clause (B): Fund Manager and Insured Person Professional Liability Coverage

- (B) The Company shall pay, on behalf of a **Fund Manager** or an **Insured Person**, **Loss** which such **Insured** becomes legally obligated to pay on account of any **Claim** first made against such **Insured** during the **Policy Period** or, if exercised, during the Extended Reporting Period, for a **Wrongful Act** by such **Insured** or by any natural person or entity for whose acts the **Insured** becomes legally liable, in the performance of or failure to perform **Fund Management Services**, before or during the **Policy Period**.

Insuring Clause (C): Outside Directorship Liability Coverage

- (C) The Company shall pay, on behalf of an **Insured Person**, **Loss** which such **Insured Person** becomes legally obligated to pay on account of any **Claim** first made against such **Insured Person**, during the **Policy Period** or, if exercised, during the Extended Reporting Period, for a **Wrongful Act** by such **Insured Person** while acting in an **Outside Capacity**, before or during the **Policy Period**; provided that coverage under this Insuring Clause (C) shall be specifically excess of any indemnity (other than the indemnity provided by the **Fund Entity**) and insurance available to such **Insured Person** by reason of serving in an **Outside Capacity**, including any indemnity or insurance available from or provided by the **Outside Entity**.

II. DEFINITIONS

When used in this Coverage Part:

- (A) **Advisory Board Member** means any natural person who was, now is or shall become a member of any board or committee, other than a Board of Directors or Board of Managers, formed pursuant to a partnership agreement, operating agreement or equivalent document or resolution of a **Private Fund**.
- (B) **Claim** means:
- (1) a written demand for monetary damages or non-monetary relief;
 - (2) a civil proceeding commenced by the service of a complaint or similar pleading;
 - (3) an arbitration proceeding commenced by receipt of a written demand for arbitration or similar document;
 - (4) a criminal proceeding commenced by the return of an indictment, information or similar document; or
 - (5) a formal administrative or formal regulatory proceeding commenced by the filing of a notice of charges, entry of a formal order of investigation, or similar document,

against an **Insured** for a **Wrongful Act**, including any appeal therefrom.



Except as may otherwise be provided in Section IV. EXTENDED REPORTING PERIOD, paragraph (H) of Section V. LIMITS OF LIABILITY, RETENTION AND COINSURANCE, or paragraph (B) of Section VI. REPORTING, of the General Terms and Conditions, a **Claim** shall be deemed to have first been made when such **Claim** is commenced as set forth in this definition or, in the case of a written demand, when such demand is first received by an **Insured**.

- (C) **Controlling Shareholder** shall have the same meaning as the applicable definition or phrase under Section 15 of the Securities Act of 1933, or Section 20(a) of the Securities Exchange Act of 1934, as amended.
- (D) **Defense Costs** means that part of **Loss** consisting of reasonable costs, charges, fees (including but not limited to attorneys' fees and experts' fees) and expenses (other than regular or overtime wages, salaries, fees or benefits of the directors, officers or employees of an **Insured Entity**) incurred in defending any **Claim** and the premium for appeal, attachment or similar bonds.
- (E) **Fund Entity** means any:
- (1) **Private Fund**;
 - (2) **Investment Holding Company**;
 - (3) entity which is a general partner, managing general partner, administrative general partner or managing member of a **Private Fund** or an **Investment Holding Company**; or
 - (4) entity which is a general partner, managing general partner, administrative general partner or managing member of an entity described in (E)(3) above.
- (F) **Fund Management Services** means:
- (1) the formation, capitalization, operation, management, administration, marketing and solicitation of a **Private Fund**;
 - (2) financial, economic, or investment advice regarding investments in securities for or on behalf of a **Private Fund** or to a **Portfolio Company**;
 - (3) investment management, portfolio management and asset allocation services performed for or on behalf of a **Private Fund**;
 - (4) the review, analysis, selection, and monitoring of other funds for investment by a **Private Fund**;
 - (5) the selection and oversight of outside service providers and unaffiliated investment advisers for or on behalf of a **Private Fund**; or
 - (6) the investment in, or the formation, capitalization or disposition of, a **Portfolio Company**, including but not limited to acts performed in the capacity as a **Controlling Shareholder** of a **Portfolio Company**.
- (G) **Fund Manager** means any **Organization** authorized in the partnership, membership, or operating agreement of, or authorized pursuant to a contract with a **Private Fund** to provide professional services to or on behalf of a **Private Fund**.
- (H) **Independent Director** means any natural person director, trustee, or equivalent position of a **Private Fund** who:
- (1) is not, and has never been, employed by any **Insured Entity**;



- (2) is not and has never been the spouse or **Domestic Partner** of any natural person who is, or has ever been, employed by any **Insured Entity**; and
- (3) does not own more than 5% of any **Insured Entity**.

(I) **Insured** means any **Insured Person**, any **Fund Entity** and any **Fund Manager**.

(J) **Insured Person** means:

- (1) solely with respect to Insuring Clause (A):
 - (a) any **Executive** of a **Fund Entity** or **Employee** of a **Fund Entity**, solely in his or her capacity as such; or
 - (b) any **Advisory Board Member**, solely in his or her capacity as such and solely with respect to **Loss** for which the **Fund Entity** grants indemnification to such **Advisory Board Member**;
- (2) solely with respect to Insuring Clause (B): any **Executive** of a **Fund Manager** and any **Employee** of a **Fund Manager**, solely in his or her capacity as such; and
- (3) solely with respect to Insuring Clause (C): any **Executive** of a **Fund Entity** or any **Executive** of a **Fund Manager**, solely in his or her **Outside Capacity**.

(K) **Investment Holding Company** means any entity:

- (1) which is created before or during the **Policy Period**, and whose sole purpose and activity is acquiring or holding debt, equity securities or debentures, for or on behalf of a **Private Fund**; and
- (2) in which one or more **Private Funds** or **Investment Holding Companies**, separately or in combination, previously owned or controlled or currently own or control greater than 50% of the outstanding securities or voting rights representing the present right to vote for election of directors or to select the general partner or managing member of such **Investment Holding Company**.

Investment Holding Company shall not include any **Portfolio Company**.

(L) **Loss** means the amount that an **Insured** becomes legally obligated to pay on account of any **Claim**, including but not limited to damages (including punitive, exemplary, or multiplied damages, if and to the extent that such punitive, exemplary, or multiplied damages are insurable under the law of the jurisdiction most favorable to the insurability of such damages; provided such jurisdiction has a substantial relationship to the relevant **Insured**, to the Company, or to the **Claim** giving rise to the damages), judgments, settlements, pre-judgment and post-judgment interest and **Defense Costs**.

Loss shall not include:

- (1) any costs incurred by an **Insured** to comply with any order for injunctive or other non-monetary relief, any agreement to provide such relief, or any regulatory or administrative directive;
- (2) taxes imposed on an **Insured**, fines or penalties, except as provided above with respect to punitive, exemplary, or multiplied damages;
- (3) any amount not insurable under the law pursuant to which this Policy is construed, except as provided above with respect to punitive, exemplary or multiplied damages;
- (4) regular or overtime wages, salaries, or fees of **Insured Persons**; or



- (5) that portion of **Loss** that represents the actual principal, interest or other monies either paid, accrued or due as the result of any loan, lease or extension of credit, or equity contribution; or
- (6) that portion of **Loss** that represents the return of fees, charges, commissions or other compensation paid to an **Insured**.
- (M) **Outside Capacity** means service by an **Insured Person** as a director, trustee, or equivalent position with an **Outside Entity** at or prior to the Inception Date of this Policy, or during the Policy Period, if service by such **Insured Person** is, or was, at the specific request or direction of a **Fund Entity** or **Fund Manager**;
- (N) **Outside Entity** means:
- (1) any non-profit corporation, community chest, fund organization or foundation exempt from federal income tax as any organization described in Section 501(c)(3), Internal Revenue Code of 1986, as amended;
 - (2) any **Portfolio Company** which is not registered or approved, upon notice of issuance, on a national securities exchange, or not authorized or approved for authorization, upon notice of issuance, for quotation in the NASDAQ system; or
 - (3) any **Portfolio Company** scheduled as an **Outside Entity** by endorsement to this Coverage Part.
- (O) **Portfolio Company** means any entity, other than an **Investment Holding Company**, in which one or more **Private Funds** or **Investment Holding Companies**, separately or in combination, previously owned or controlled, currently own or control, or propose to own or control, outstanding debt, equity securities, or debentures.
- (P) **Private Fund** means:
- (1) any pooled investment vehicle that is listed in the Schedule of Private Funds endorsed to this Coverage Part; or
 - (2) any New Fund, but solely pursuant to the terms set forth below in Section V. NEWLY CREATED FUNDS.
- (Q) **Wrongful Act** means:
- (1) for purposes of Insuring Clause (A):
 - (a) any error, misstatement, misleading statement, act, omission, neglect, or breach of duty committed, attempted, or allegedly committed or attempted by a **Fund Entity**, or by an **Insured Person** in his or her capacity as such (including but not limited to the performance of **Fund Management Services**), including any actual or alleged violation of the Investment Advisers Act of 1940, the Securities Act of 1933, the Securities Exchange Act of 1934, **ERISA**, or any foreign equivalent of any of the preceding statutes;
 - (b) any other matter claimed against an **Insured Person** solely by reason of serving in his or her capacity as such;
 - (c) any error, misstatement, misleading statement, act, omission, neglect, or breach of duty committed, attempted, or allegedly committed or attempted by a **Fund Entity** in its capacity as a general partner, managing general partner, administrative general partner or managing member of another **Fund Entity**; or
 - (d) any error, misstatement, misleading statement, act, omission, neglect, or breach of duty committed, attempted, or allegedly committed or attempted by any entity or natural person for



whom the **Fund Entity** becomes legally liable, but solely with respect to such entity or person's performance of or failure to perform services for or on behalf of a **Private Fund**;

- (2) for purposes of Insuring Clause (B):
 - (a) any error, misstatement, misleading statement, act, omission, neglect, or breach of duty committed, attempted, or allegedly committed or attempted by any **Fund Manager**, or by an **Executive** or **Employee** of a **Fund Manager**, in the performance of **Fund Management Services**, including any actual or alleged violation of the Investment Advisers Act of 1940, the Securities Act of 1933, the Securities Exchange Act of 1934, **ERISA**, or any foreign equivalent of any of the preceding statutes; or
 - (b) any error, misstatement, misleading statement, act, omission, neglect, or breach of duty committed, attempted, or allegedly committed or attempted by any entity or natural person for whom the **Fund Manager** becomes legally liable, but solely with respect to such entity or person's performance of or failure to perform services for or on behalf of a **Private Fund**; and
- (3) for purposes of Insuring Clause (C): any error, misstatement, misleading statement, act, omission, neglect, or breach of duty committed, attempted, or allegedly committed or attempted by an **Insured Person** in his or her **Outside Capacity**.

III. EXCLUSIONS APPLICABLE TO ALL INSURING CLAUSES

The Company shall not be liable for **Loss** on account of any **Claim** under this Coverage Part:

- (A) based upon, arising from, or in consequence of **Prior Notice**;
- (B) based upon, arising from, or in consequence of **Pending or Prior Litigation**;
- (C) brought or maintained by or on behalf of any **Insured** in any capacity, or by any entity that owns more than 50% of the outstanding securities of the **Named Organization**; provided this Exclusion III.(C) shall not apply to **Loss** on account of any **Claim** brought or maintained:
 - (1) derivatively on behalf of a **Private Fund** by one or more securityholders, limited partners or members of such **Private Fund**; provided such **Claim** is brought and maintained without any assistance or participation of, or solicitation by any **Insured Person**, other than assistance, participation or solicitation for which 18 U.S.C. 1514A(a) (the Sarbanes-Oxley Act of 2002), or any similar "whistleblower" protection provision of an applicable federal, state, local or foreign securities law, affords protection to such **Insured Person**;
 - (2) by an **Insured Person** for contribution or indemnity, if such **Claim** directly results from another **Claim** covered under this Coverage Part;
 - (3) by a bankruptcy or insolvency trustee, examiner, receiver, any assignee of such trustee, examiner or receiver, or any creditors' committee appointed to take control of, supervise, manage or liquidate a **Private Fund** or **Fund Manager**;
 - (4) by an **Insured Person** if such **Insured Person** has not served in the capacity of an **Insured Person** within any of the three (3) years immediately preceding the date the **Claim** was made, and such **Claim** is brought and maintained without any assistance, participation, or intervention of or solicitation by any other **Insured**;
 - (5) by an **Insured** where the failure to make such **Claim** would result in legal liability of such **Insured**; or



- (6) by an **Advisory Board Member**, but solely in his or her capacity as a shareholder, limited partner or member of a **Private Fund**, where such **Claim** is brought without any active solicitation, assistance or participation of any other **Insured**;
- (D) based upon, arising from, or in consequence of **Pollution** or a **Biological Event**; provided this Exclusion III.(D) shall not apply to **Loss** on account of any **Claim** brought by or on behalf of an investor in a **Private Fund** based upon, arising from or in consequence of the diminution in value of any securities owned by such **Private Fund** if such diminution in value is allegedly as a result of **Pollution** or a **Biological Event**;
- (E) for bodily injury, emotional distress, mental anguish, sickness, disease or death of any person; provided this Exclusion III.(E) shall not apply to **Loss** on account of any **Claim**:
- (1) for emotional distress or mental anguish arising solely from **Fund Management Services**; or
- (2) brought by an employee of an **Outside Entity** against an **Insured Person** serving in an **Outside Capacity**;
- (F) for damage to or destruction of any data or tangible property including loss of use thereof; provided this Exclusion III.(F) shall not apply to damage to, destruction of, or loss of use of client or investor records in an **Insured's** possession;
- (G) for an actual or alleged violation of the responsibilities, obligations or duties imposed on fiduciaries by **ERISA** as respects any pension, profit sharing, health and welfare or other employee benefit plan or trust established or maintained for the purpose of providing benefits to any **Insured**;
- (H) for libel, slander, wrongful termination of employment, disparagement, sexual harassment, violation of rights of privacy, wrongful entry, eviction, false arrest, false imprisonment, malicious prosecution, assault or battery; provided this Exclusion III.(H) shall not apply to libel, slander, or oral or written publication of defamatory or disparaging material arising out of the performance of or failure to perform **Fund Management Services**;
- (I) for an **Insured's** liability under any contract or agreement, regardless of whether such liability is direct or assumed; provided this Exclusion III.(I) shall not apply to:
- (1) **Loss** on account of a **Claim** arising out of the performance or failure to perform **Fund Management Services**;
- (2) **Loss** on account of a **Claim** alleging a breach of any organizational or management advisory documents of a **Private Fund**, including but not limited to a limited partnership agreement, operating agreement, advisory agreement, management agreement, or subscription agreement; or
- (3) liability that would attach to an **Insured** even in the absence of a contract or agreement;
- (J) for the inability of any bank or banking firm, custodian, or broker or dealer in securities or commodities, to make any payment, or the inability of any such entity or person to settle or effect any transaction of any kind; provided this Exclusion III.(J) shall not apply to **Defense Costs**;
- (K) based upon, arising from, or in consequence of the performing or failure to perform any investment banking services, including but not limited to any advice in connection with corporate mergers, acquisitions, restructurings, divestitures, issuance of securities, syndication or similar activities; provided this Exclusion III.(K) shall not apply to **Loss** on account of any **Claim** by an investor in a **Private Fund** arising from the performance of **Fund Management Services** by a **Fund Manager** as long as neither an **Insured** nor the investor is a party to or participant in the investment banking transaction;
- (L) based upon, arising from, or in consequence of any **Insured's** or any **Organization's** performing or failure to perform property management services, real estate appraisal or valuation services, or real estate development services;



- (M) based upon, arising from or in consequence of any **Insured** acting as a securities or commodities broker or dealer, or securities underwriter; provided this Exclusion III.(M) shall not apply to **Loss** on account of any **Claim** arising from the distribution of interests in a **Private Fund**;
- (N) for any **Wrongful Act** of an **Insured Person** in his or her capacity as a director, officer, manager, trustee, regent, governor, partner, or employee of any entity other than a **Fund Manager** or **Fund Entity**; provided this Exclusion III.(N) shall not apply to that portion of any **Claim** alleging a **Wrongful Act** by an **Insured Person** serving in his or her **Outside Capacity** under Insuring Clause (C) Outside Directorship Liability Coverage;
- (O) for any **Wrongful Act** committed, attempted, or allegedly committed or attempted by a **Subsidiary** or any **Insured Person** of a **Subsidiary** during any time when such entity was not a **Subsidiary**; or
- (P) based upon, arising from, or in consequence of:
 - (1) any criminal or deliberately fraudulent act or omission or any willful violation of any statute or regulation by an **Insured**, if a judgment or final adjudication in any proceeding establishes such criminal or deliberately fraudulent act or omission or willful violation; or
 - (2) an **Insured** having gained any profit, remuneration or advantage to which such **Insured** was not legally entitled, if a judgment or final adjudication in any proceeding establishes the gaining of such profit, remuneration or advantage.

For purposes of these Exclusions III.(P)(1) and III.(P)(2) above:

- (a) If:
 - (i) an **Insured** pleads guilty in a criminal proceeding, the elements of each of the offenses to which such plea relates shall, as of the date of such plea, be deemed to have been established by a final adjudication; or
 - (ii) by written agreement or consent order with any federal or state prosecutorial authority or regulatory agency, an **Insured** admits or otherwise agrees to facts, charges or allegations of conduct set forth in Exclusions III.(P)(1) or III.(P)(2) above, then the facts, charges or allegations to which such **Insured** has admitted or otherwise agreed in such written agreement or consent order shall, as of the date of the agreement or order, be deemed to have been established by a final adjudication.
- (b) No criminal or deliberately fraudulent act or omission or any willful violation of any statute or regulation by an **Insured** shall be imputed to any **Insured Person**, and only criminal or deliberately fraudulent acts or omissions or willful violations of any statute or regulation by an **Executive** of a **Fund Entity** or of a **Fund Manager** shall be imputed to such **Fund Entity** or **Fund Manager**.

IV. EXCLUSIONS APPLICABLE ONLY TO INSURING CLAUSE (C), OUTSIDE DIRECTORSHIP LIABILITY COVERAGE

In addition to the Exclusions in Section III. above, the Company also shall not be liable under Insuring Clause (C), Outside Directorship Liability Coverage, for **Loss** on account of any **Claim** against any **Insured Person**:

- (A) for any **Wrongful Act** by an **Insured Person** while serving in an **Outside Capacity**, if such **Wrongful Act** is committed, attempted, or allegedly committed or attempted, after the date:
 - (1) such **Insured Person** ceases to be an **Executive** of a **Fund Entity** or **Fund Manager**; or



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- (2) service by such **Insured Person** in an **Outside Capacity** ceases to be at the specific request of the **Fund Entity** or **Fund Manager**;
- (B) brought or maintained by or on behalf of any **Outside Entity**, or by or on behalf of any affiliate of an **Outside Entity** or one or more of such **Outside Entity's** directors, officers, or equivalent positions; provided this Exclusion IV.(B) shall not apply to **Loss** on account of a **Claim** that is brought or maintained by or on behalf of a **Portfolio Company**, or its directors, officers, or equivalent positions, without the solicitation, aid, assistance, or participation of any **Insured**;
- (C) based upon, arising from, or in consequence of any demand, suit, administrative, regulatory or other proceeding against an **Outside Entity** occurring prior to, or pending as of the date the **Insured Person** first commenced serving in his or her **Outside Capacity**, of which such **Outside Entity** or any director, officer, or equivalent position with the **Outside Entity** received notice or otherwise had knowledge as of such date.
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V. NEWLY CREATED FUNDS

If, during the **Policy Period**, an **Organization** creates or begins raising funds for a new pooled investment vehicle:

- (A) that engages in or will engage in substantially similar activities as any **Private Fund**;
- (B) that is not registered as an investment company under the Investment Company Act of 1940; and
- (C) whose securities are not traded in any public market, whether on a registered securities exchange or a regional or local exchange in the United States, a foreign securities exchange, the NASDAQ or any other interdealer quotation system,

(a "New Fund"), then as respects any such New Fund whose total committed capital or total asset size is:

- (1) equal to or less than the amount designated in ITEM 6.(B) of the Declarations, then such New Fund shall be deemed a **Private Fund**, and the Company agrees to waive any additional premium, written notice, or any information due as respects such New Fund for the remainder of the **Policy Period**; or
- (2) greater than of the amount designated in ITEM 6.(B) of the Declarations, then such New Fund shall be deemed a **Private Fund** for a period of sixty (60) days from the date of commencement of raising funds for the New Fund or creation of the New Fund (the "Effective Date"), whichever is later. The **Named Organization** shall give written notice of such New Fund to the Company as soon as practicable, but in no event later than thirty (30) days after the Effective Date, together with such information as the Company may require, and shall pay any reasonable additional premium required by the Company. Coverage for such New Fund shall be subject to such additional or different terms, conditions and limitations of coverage as the Company in its sole and absolute discretion may require. If the **Named Organization** fails to give such notice within the time specified above, or fails to pay any additional premium required by the Company, then coverage for such New Fund and its **Insured Persons** shall terminate with respect to **Claims** first made more than sixty (60) days after the Effective Date.
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VI. NON-ACCUMULATION OF LIMITS

If any **Loss** arising from any **Claim** made against any **Insured Person** in his or her **Outside Capacity**, is insured under any other valid policy(ies) issued by the Company or a parent, subsidiary or affiliate of the Company, then any payment under such policy(ies) on account of a **Claim** also covered under this Coverage Part shall reduce, by the amount of any such payment, the Company's Limit of Liability under this Coverage Part with respect to such **Claim**.



VII. ADDITIONAL LIMIT OF LIABILITY FOR INDEPENDENT DIRECTORS (OPTIONAL)

- (A) If the Additional Limit of Liability for Independent Directors is purchased for this Coverage Part, as indicated in ITEM 3.(D) of the Declarations, then solely with respect to any **Loss** resulting from **Claims** made against **Independent Directors**, the Company shall provide an additional Limit of Liability in the amount indicated in ITEM 3.(D) of the Declarations, which limit is in addition to and not part of the Aggregate Limit of Liability for this Coverage Part and the Maximum Aggregate Limit of Liability for the Policy as set forth in the Declarations. Such Additional Limit of Liability for Independent Directors shall be excess of the Aggregate Limit of Liability for this Coverage Part.
- (B) The Additional Limit of Liability for Independent Directors as indicated in ITEM 3.(D) of the Declarations shall be the maximum Additional Limit of Liability of the Company for **Loss** resulting from all **Claims** made against all **Independent Directors** under either or both this Coverage Part and the Investment Company Coverage Part, if purchased.
- (C) The Additional Limit of Liability for Independent Directors shall be excess of the applicable Retention, Coinsurance Percentage, and the Aggregate Limit of Liability for this Coverage Part.
- (D) In addition to and not in limitation of Section X. OTHER INSURANCE, of the General Terms and Conditions, the Additional Limit of Liability for Independent Directors shall be excess of any insurance available that is specifically excess to this Policy and such excess insurance must be completely exhausted by payment of loss, damages or defense costs thereunder before the Company shall have any obligation to make any payment on account of the Additional Limit of Liability for Independent Directors.