



**INVESTMENT MANAGEMENT LIABILITY SOLUTIONS
MUTUAL FUND MANAGEMENT AND PROFESSIONAL LIABILITY COVERAGE PART**

I. INSURING AGREEMENTS

1. **Mutual Fund Management and Professional Liability**

The Insurer shall pay on behalf of the **Mutual Fund Insureds** that **Loss** resulting from any **Claim** first made against the **Mutual Fund Insureds** during the **Policy Period** or Extended Reporting Period, if applicable, for a **Wrongful Act**,

2. **Service Provider Professional Liability**

The Insurer shall pay on behalf of the **Service Provider Insureds** that **Loss** resulting from any **Claim** first made against the **Service Provider Insureds** during the **Policy Period** or Extended Reporting Period, if applicable, for a **Wrongful Act**.

II. DEFINITIONS

Independent Director means any director of a **Mutual Fund** who is not an "Interested Person" of such **Mutual Fund** as defined in Section 2(a)(19) of the Investment Company Act of 1940.

Insured Entity means the **Mutual Fund** and the **Service Provider**.

Insured Person means any **Executive** or **Employee** of a **Mutual Fund**; or any natural person who is a past, present or future employee of a **Service Provider**.

Investment Banking Services means any advice or service relating to or in connection with any aspect of corporate mergers, acquisitions, securities offerings, restructuring, divestitures or investment banking, other than advice or services with respect to shares issued by a **Mutual Fund**, or other restructuring of a **Mutual Fund** or the voting of shares held in portfolios of a **Mutual Fund**.

Mutual Fund means:

1. any investment company registered under the Investment Company Act of 1940 which exists as of the effective date of the Policy and is named in the Schedule of **Mutual Funds** Endorsement to the Policy;
2. any series or portfolios of such investment company as defined in paragraph (a) above, existing as of the effective date of the Policy or created during the Policy Period; and
3. subject to the provisions of Section XIV, any investment company registered under the Investment Company Act of 1940, including any series or portfolios of such investment company, created or sponsored by the **Named Insured** after the effective date of the Policy.

Mutual Fund Insureds means any **Mutual Fund** and its **Insured Persons**.

Service Provider Insureds means the **Service Provider** and its **Insured Persons**.

Takeover as defined in the General Terms and Conditions Section II shall be amended for purposes of this Coverage Part to mean the acquisition or change of control of the sponsorship of the **Mutual Fund** by another entity or person or group of entities and/or persons acting in concert.

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

1. any **Insured Person** of a **Mutual Fund** in his or her capacity as such or any matter claimed against such **Insured Person** solely by reason of his or her status as such;
2. a **Mutual Fund** in its capacity as such; or
3. any **Service Provider Insured** in the in the insured capacity detailed in the Schedule of **Service Provider** Endorsement.



III. EXCLUSIONS

The Insurer shall not be liable to pay that part of **Loss** under this Policy in connection with any **Claim** made against the **Insured**:

1. **Bodily Injury/Property Damage**

for any actual or alleged bodily injury (including death), sickness, disease, emotional distress, mental anguish, libel, slander or defamation of any person, or damage to or destruction of any tangible property including loss of use except that this exclusion shall not apply to:

- a. emotional distress or mental anguish solely arising out of the rendering of **Professional Services**; or
- b. damage to, destruction of, loss of, or loss of use of, client records in the possession of the **Insured**; or
- c. allegations of emotional distress, mental anguish, libel, slander or defamation by a claimant in an **Employment Practices Claim**;

2. **ERISA or any Similar Act**

for any actual or alleged violation of the responsibilities, obligations or duties imposed upon fiduciaries by **ERISA or any Similar Act** in connection with the **Insured Entity's** pension, employee benefit or welfare plans;

3. **Prior Notice**

based upon or arising out of:

- a. any **Wrongful Act** or any matter, fact, circumstance, situation, transaction, or event notice of which was given by an **Insured** under any policy of which this Policy is a direct or indirect renewal or replacement; or
- b. any other **Wrongful Act** whenever occurring, which, together with a **Wrongful Act** described in a. above, would constitute **Interrelated Wrongful Acts**;

4. **Prior or Pending**

based upon or arising out of or constituting any civil, criminal, administrative or regulatory proceeding, investigation or arbitration against any of the **Insureds** which was pending on or prior to the Prior or Pending Date set forth in Item 8. of the Declarations or the same or essentially the same fact, circumstance, situation, transaction or event underlying or alleged in such proceeding, investigation or arbitration;

5. **Pollution**

based upon or arising out of: any nuclear reaction, radiation or contamination, or any actual, alleged or threatened discharge, release, escape, or disposal of, or exposure to, **Pollutants**; any request, direction or order that any of the **Insureds** test for, monitor, clean up, remove, contain, treat, detoxify, neutralize or in any way respond to or assess the effect of **Pollutants** or nuclear reaction, radiation or contamination, or any voluntary decision to do so; or any actual or alleged property damage, or bodily injury, sickness, disease or death of any person, or financial loss to the **Insured Entity**, its security holders, or its creditors resulting from any of the aforementioned matters;

6. **Illegal Profits/Deliberate Acts**

based upon or arising out of:

- a. the gaining of any profit, remuneration or advantage to which the **Insured** was not legally entitled if a judgment, ruling or other finding of fact in any proceeding adverse to the **Insured** establishes the **Insured** was not legally entitled to such profit or advantage; or
- b. the committing of any deliberate fraudulent or deliberate criminal act by the **Insured** if a judgment, ruling or other finding of fact in any proceeding establishes that such act was committed.



For purposes of determining the applicability of Exclusion 6:

- a. the facts pertaining to and knowledge possessed by any **Insured Person** shall not be imputed to any other **Insured Person**; and
- b. only facts pertaining to and knowledge possessed by any past, present or future chair of the Board or Directors, president, chief executive officer, chief financial officer, chief operating officer or general counsel (or equivalent position) of an **Insured Entity** shall be imputed to the **Insured Entities**;

7. **Wrongful Acts of Insureds Serving in other Entities**

for any **Wrongful Act** by any **Insured** while serving in the capacity, or solely by reason of their status, as a director, officer, trustee, governor, manager, member, partner, employee or similar position in any entity, other than an **Insured Entity**;

8. **Hold Harmless or Indemnification Agreement**

for liability assumed by the **Insureds** under any type of hold harmless or indemnification agreement whereby the **Insureds** incur liability arising out of the **Wrongful Acts** of third parties which liability the **Insureds** would not otherwise incur absent such hold harmless or indemnification agreement;

9. **Security Broker or Dealer**

for liability involving the activities of any **Insured** as a "broker" or "dealer" in securities, as defined in Sections 3(a)(4) and 3(a)(5), respectively, of the Securities Exchange Act of 1934; provided however, this exclusion shall not apply to the distribution, underwriting or resale of securities purchased directly from the **Mutual Fund** by a distributor for resale to any broker or dealer;

10. **Unregistered Securities**

asserting liability under any federal or state securities laws arising from the selling of the securities of any Mutual Fund in a particular jurisdiction without registering or in excess of the number registered for sale in such jurisdiction; provided, however, this exclusion shall not be applicable to the difference between the net asset value at which the securities of any such Mutual Fund were sold and the net asset value of such securities at the time of their repurchase;

11. **REIT**

based upon, directly or indirectly arising out of or in any way involving the forming, syndicating, operating, administering, or rolling up of a real estate investment trust;

12. **Claims By Insureds or Investment Adviser**

by or on behalf of:

- a. any **Insured Persons** in any capacity; or
- b. the **Insured Entity**; or
- c. any **Investment Adviser**
- d. any security holder, member or partner of an **Insured Entity** or **Investment Adviser**, whether directly or derivatively, unless such security holder's, member's or partner's **Claim** is brought and maintained solely by persons acting totally independent of and totally without the solicitation, assistance, participation or intervention of the **Insured Entity**, **Investment Adviser** or any **Insured Person**;

provided, however, that this Exclusion shall not apply to:

- i. any **Claim** by an **Employee** of the **Mutual Fund** that constitutes an **Employment Practices Claim** or is brought solely in his or her capacity as a customer or client of the **Mutual Fund** which is brought and maintained totally independent of and totally without the solicitation, assistance, participation or intervention of the **Mutual Fund** or any **Executive** of the **Mutual Fund**;



- ii. any **Claim** that is in the form of a cross-claim, third party claim or otherwise for contribution or indemnity which is part of and results directly from a **Claim** which is not otherwise excluded under this Policy;
- iii. any **Claim** brought or maintained by or on behalf of a bankruptcy or insolvency trustee, examiner, liquidator, receiver or rehabilitator for an **Insured Entity**, or any assignee of such trustee, examiner, liquidator, receiver or rehabilitator; or
- iv. any **Claim** brought by any past **Executive** of a **Mutual Fund** who has not served as a duly elected or appointed director, officer, trustee, governor, management committee member, member of the board of managers, general partner, partnership manager, trust manager, In-House General Counsel, Chief Compliance Officer or Risk Manager (or equivalent position) of or consultant for a **Mutual Fund** for at least four (4) years prior to such **Claim** being first made; or
- v. the extent that such **Claim** is made against an:
 - 1. **Independent Director**; or
 - 2. **Independent Director** and a **Mutual Fund**, but only to the extent that and for as long as such **Independent Director** remains a codefendant in such **Claim**, provided that such **Claim** is brought and maintained totally independent of and totally without the solicitation, assistance, participation or intervention of any **Independent Director** or **Mutual Fund** against whom such **Claim** is made.

13. Investment Banking Services

based upon or arising out of **Investment Banking Services**.