

HEDGE FUND(S) MANAGEMENT LIABILITY

Application

NOTICE

THIS IS AN APPLICATION FOR A CLAIMS-MADE POLICY AND, SUBJECT TO ITS PROVISIONS, APPLIES ONLY TO ANY CLAIM FIRST MADE DURING THE POLICY PERIOD. NO COVERAGE EXISTS FOR CLAIMS FIRST MADE AFTER THE END OF THE POLICY PERIOD UNLESS, AND TO THE EXTENT THAT, THE EXTENDED REPORTING PERIOD APPLIES. COVERAGE DEFENSE COSTS REDUCE THE LIMIT OF LIABILITY AND ARE SUBJECT TO THE RETENTION. PLEASE REVIEW THE POLICY CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.

INSTRUCTIONS FOR COMPLETING THIS APPLICATION

Please read the instructions carefully, and complete and submit all requested information and required attachments. Terms appearing in bold face in this Application are defined in the Policy and have the same meaning in this Application as in the Policy. This Application and all materials submitted or required shall be held in confidence.

1. Name and principal address of the **Organization** listed in Item 1 of the Declarations: _____

(Please note that the **Organization** identified above will be charged with giving/ receiving notices to/from the Insurer as respects notice of **Claims**, cancellations, payment and return of premium and other notices as required by the Policy).

2. Name and Title of officer at the **Organization** to whom correspondence concerning the above should be sent:

(Name of Officer) (Title)

Telephone: (____) _____ - _____ Web Site: _____

Fax: (____) _____ - _____ E-mail: _____

3. Is the **Organization** owned, controlled by, or affiliated with any other entity?..... Yes No

If yes, name of entity _____ Percentage owned/controlled _____

4. The **Organization** has continually been in business since? _____

5. During the past 5 years

a) has the name of the **Organization** ever been changed? Yes No

If yes, list name _____

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b) has the **Organization** been involved in any merger, acquisition or consolidation? Yes No
 If yes, please explain _____

6. Name and address of General Partner _____
 Ownership Structure _____

7. Is an Investment Adviser to be considered for this proposed insurance?..... Yes No
 a) Name and principal business address: _____
 b) Date of formation: _____
 c) Private or public corporation or partnership: _____
 d) Is the Applicant Adviser registered as an adviser with the SEC? Yes

No
 If "Yes", complete e, f and g. below and provide copies of most recent ADVs
 e) ADV number _____
 f) Date of approval _____

g) Number of portfolio managers _____

e) If Applicant Adviser is not registered, please provide biography of the principals within the Applicant Adviser entity (ie. Chronological history of industry experience, educational back ground.) Additionally, please list any regulatory sanctions, fines, penalties or their equivalent imposed upon such individuals)

If more than one Applicant Adviser, please attach separate sheet providing response for each such additional Applicant.

8. Identify the **Hedge Fund(s)** to be considered for this proposed insurance:

Name of Hedge Fund	Type of Investments (See Chart Below Insert Designated Reference Numbers)	Number of Accredited Investors	Total Number of Investors	Amount of Capital Investment By General Partner (\$mm)	Total Fund Equity (\$mm)	Minimum Investment (\$mm)	Date of Fund Inception	Leverage Ratio (Borrowed Money: Investor Capital)

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1. Market Neutral	2. Fund of Funds
3. Emerging Markets	4. Income
5. Distressed Securities	6. Aggressive Growth
7. Global Macro	8. Convertible Arbitrage
9. Market Timing	10. Short Selling
11. Merger Arbitrage	12. REITS
13. Other	

9. Is coverage sought for affiliated Service Providers? Yes No
 if yes, please complete below. Please attach addendums as necessary:

Name of Service Provider	Percentage of ownership	Description of Services	Date of Affiliation With Applicant	State/Country of Incorporation

10. Name of any other entity proposed for coverage under this policy? Yes No
 If Yes, Name of Entity _____
 and Description of Service _____

11. Please state name and address of your auditors and provide a copy of the most recent audited financial statements for

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the **Hedge Fund(s)** proposed for coverage _____

12. Do all investors receive a copy of the aforementioned audited financial statements? Yes No
If "No", please provide details _____

13. Are securities that are not publicly traded valued by an independent third party? Yes No
If "No", please provide details _____

14. Has the **Organization** or any affiliate proposed for coverage changed its accountants or external general Counsel in the last five years. Yes No
If Yes, please provide details explaining such circumstances. _____

15. Please answer the following for current or most recent policies as shown. If "None", so state:

	Hedge Fund Fund/ Investment Advisory Liability	Directors & Officers Liability
Name of Insurer	_____	_____
Policy Limit	_____	_____
Deductible	_____	_____
Policy Period	_____	_____
Annual Premium	_____	_____

16. Has any **Claim** or notice of any potential **Claim** been made or given under any of the captioned policies or any similar predecessor policies?..... Yes No
If "Yes," please provide details _____

17. Has the extended reporting period or discovery period been exercised under any of the captioned policies?
Yes No If "Yes," please advise the expiration date of such reporting or discovery period and reason for purchase:

18. Has the SEC, any state securities regulatory authority or any self-regulatory authority conducted an inspection, investigation or examination of any Applicant within the past five (5) years?..... Yes
 No
If "Yes," please furnish a full copy of any letter of deficiency and include management's response thereto.

19. Has any Applicant been involved in any of the following:

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- a) any civil or criminal action or administrative, investigative or regulatory proceeding charging a violation of any federal or state security law or regulation?..... Yes
 No b) any representative actions, class actions or derivative suits?.....
 Yes No c) other material litigation or
Claim?..... Yes No
d) If "Yes" to any of the above, please attach full details.

20. Has any similar insurance on behalf of any person(s) or entity(ies) now sought to be insured been declined, canceled or renewal thereof refused? (If answer is "None," so state)._____

To Be Completed By All Applicants

21. None of the **Insureds** is responsible for or has knowledge of any **Wrongful Act** or fact, circumstance or situation which (s)he has reason to suppose might result in a future **Claim**, except as follows (If answer is "None", so state.):

It is agreed by all concerned that if any natural person who is an **Insured** is responsible for or has knowledge of any **Wrongful Act**, fact, circumstance, or situation which s(he) has reason to suppose might result in a future **Claim**, whether or not described above, any **Claim** subsequently emanating therefrom shall be excluded from coverage under the proposed insurance as to such natural person. The responsibility or knowledge of any such natural person shall not be imputed to any other such natural person for the purposes of determining the availability of coverage.

22. It is declared that this Application and any materials submitted or required (which shall be maintained on file by the Insurer and be deemed attached as if physically attached to the proposed Policy) are true and are the basis of the proposed Policy and are to be considered as incorporated into and constituting a part of the proposed Policy.

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23. The undersigned declares that to the best of his/her knowledge the statements set forth herein are true and correct and that reasonable efforts have been made to obtain sufficient information from all of the **Insureds** to facilitate the proper and accurate completion of this Application for the proposed Policy. Signing of this Application does not bind the undersigned to purchase the insurance, but it is agreed that this Application shall be the basis of the contract should a Policy be issued, and this Application will be attached to and become part of such Policy. The undersigned agrees that if after the date of this Application and prior to the effective date of any Policy based on this Application, any occurrence, event or other circumstance should render any of the information contained in this Application inaccurate or incomplete, then the undersigned shall notify the Insurer of such occurrence, event or circumstance and shall provide the Insurer with information that would complete, update or correct such information. Any outstanding quotations may be modified or withdrawn at the sole discretion of the Insurer.
24. The information requested in this Application is for underwriting purposes only and does not constitute notice to the Insurer under any Policy of a **Claim** or potential **Claim**. All such notices must be submitted to the Insurer pursuant to the terms of the Policy, if and when issued.
25. Please submit the following documents with respect to Organization:
- Partnership Agreement(s)
 - Organizational Chart to include all affiliates and partnership
 - Latest annual report, including audited financial statements with all notes and schedules
 - Most recent interim financial statement
 - All offering documents(s) and/or placement memorandums
 - Schedule of all material litigation pending
 - ADV report if adviser is registered with SEC

MANDATORY STATE NOTICES:

WARNING: Colorado, Florida, Hawaii, Kentucky, Louisiana, New Jersey, New York, Maine, Ohio, Oklahoma, Pennsylvania and Virginia Residents Only: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime.

For New York Residents Only: and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

For Colorado Residents Only: Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or

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attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

For Hawaii Residents Only: For your protection, Hawaii law requires you to be informed that presenting a fraudulent claim for payment of a loss or benefit is a crime punishable by fines or imprisonment, or both.

The undersigned acknowledges that he or she is aware that **Defense Costs** reduce and may exhaust the applicable Limits of Liability. The Insurer is not liable for any **Loss** (which includes **Defense Costs**) in excess of the applicable Limits of Liability.

A POLICY CAN NOT BE ISSUED UNLESS THE APPLICATION IS PROPERLY SIGNED AND DATED.

This Application must be signed by the Chairman of the Board, Chief Executive Officer or by the President.

Signed: _____ Print Name: _____

Title: _____ Corporation: _____

Date: _____

A POLICY CANNOT BE ISSUED TO NEW YORK RESIDENTS UNLESS THE APPLICATION IS PROPERLY SIGNED AND DATED ABOVE.

Please submit the completed, signed and dated Application and the required documentation to:

CNA Pro
40 WALL STREET, 9TH FLOOR
New York, NY 10005