

# OLD REPUBLIC UNION INSURANCE COMPANY

## INVESTMENT ADVISOR PROFESSIONAL LIABILITY COVERAGE SECTION

### Important Notice

This is a claims made policy that applies only to **Claims** first made during the **Policy Period** or the **Extended Reporting Period**, if exercised. **Defense Costs** shall be applied against the Retention, if applicable. **Defense Costs** paid by the Insurer shall reduce and may completely exhaust the Limit of Liability of the **Policy**.

**Please read the entire Policy carefully.**

### I. INSURING CLAUSE

The Insurer shall pay on behalf of the **Investment Advisor** and **Insured Persons Loss** which the **Insureds** become legally obligated to pay by reason of any **Claim** first made against the **Insureds** during the **Policy Period** or any applicable **Extended Reporting Period** for any **Wrongful Acts** by such **Insureds**, or by any entity or natural person for whose acts such **Insureds** are legally liable, in the performance of or failure to perform **Investment Advisory Services**.

### II. DEFINITIONS

When used in this Coverage Section, either in the singular or the plural:

A. **Insured Persons** means:

1. any **Executive Officer**; and
2. any one or more **Employees** of the **Investment Advisor** not described in subparagraph A. 1. above; provided such **Employees** shall not be considered **Insured Persons** for purposes of subparagraph a. of Exclusion 1. in Section III. of this Coverage Section.

B. **Insureds** means (1) the **Investment Advisor**, and (2) the **Insured Persons**.

C. **Wrongful Act** means any error, misstatement, misleading statement, act, omission, neglect or breach of duty, including any aiding and abetting thereof, actually or allegedly committed or attempted by any of the **Insured Persons** in their capacity as such or in the performance of, or failure to perform, **Investment Advisory Services**.

### III. EXCLUSIONS

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

1. Entity vs. Insured

brought or maintained by or on behalf of the **Investment Advisor**, **Named Insured**, its **Subsidiaries** or any **Fund**, provided this Exclusion shall not apply to **Defense Costs** that constitute **Non-Indemnified Loss** or to the following **Claims** against **Insured Persons**:

- a. any such **Claim** that is a derivative action brought or maintained on behalf of the **Investment Advisor**, **Named Insured**, its **Subsidiaries** or any **Fund** by one or more persons who are not **Insured Persons** and who bring and maintain the **Claim** without the active assistance or participation of, or solicitation by, the **Investment Advisor**, **Named Insured**, its **Subsidiaries**, a **Fund** or any **Insured Person**, other than assistance, participation or solicitation by **Insured Persons** that is protected pursuant to any whistleblower protection provision in any applicable federal, state, local or foreign law which protects such **Insured Persons**;

- b. any such **Claim** brought or maintained while such **Investment Advisor, Named Insured**, its **Subsidiaries** or a **Fund** is in **Financial Impairment**, including without limitation any such **Claim** by or on behalf of a bankruptcy or insolvency trustee, examiner, receiver, similar official or creditors committee for such **Investment Advisor, Named Insured, Subsidiary** or **Fund**;
- c. any such **Claim** brought and maintained outside the United States, Canada or any other common law country, including any territories thereof; or
- d. if in the opinion of independent legal counsel chosen jointly by the Insurer and the **Investment Advisor** or **Fund** and paid by the **Investment Advisor**, the failure to bring such **Claim** would result in a breach of duty on the part of such **Investment Advisor** or its **Insured Persons**;

2. Contract

for any actual or alleged liability of the **Investment Advisor** or **Fund** under any written contract or agreement (other than the organization documents of such **Investment Advisor** or **Fund** provided that this Exclusion shall not apply (i) to the extent that such **Investment Advisor** or **Fund** would have been liable in the absence of such contract or agreement, or (ii) to a **Claim** by or on behalf of a customer or client of the **Investment Advisor** to the extent the **Claim** alleges breach of contractual obligations in the rendering of, or failure to render, **Investment Advisory Services**;

3. Underwriter/Broker/Dealer

based upon, arising out of, or attributable to any activities as an underwriter, broker or dealer, as defined in Section 2(11) of the Securities Act of 1933, as amended, or Sections 3(a)(4), 3(a)(5) and 3(a)(6) of the Securities Exchange Act of 1934, as amended; provided this Exclusion shall not apply to the extent such **Claim** arises from the distribution, purchase, sale or solicitation of the purchase or sale of any equity or debt securities of a **Fund** or **Portfolio Company**; or

4. Investment Banking

based upon, arising out of, or attributable to the rendering or failure to render advice or services to any customer or client of an **Insured** in connection with a merger, acquisition, restructuring or divestiture; provided, however, this Exclusion shall not apply to any **Investment Advisory Services** provided in connection with investing in the securities of any actual or prospective **Portfolio Company** or the entities involved in mergers, acquisitions, restructurings or divestitures but only to the extent such **Insured** is not providing such services to or on behalf of any entity involved in such merger, acquisition, restructuring or divestiture.