

Steadfast Insurance Company

Application for Investment Adviser and Mutual Fund Professional and Directors and Officers Liability Insurance

PLEASE NOTE:

Investment Adviser and Mutual Fund Professional and Directors and Officers Liability Coverage is written on a claims-made basis and covers only Claims first made against the Insureds during the Policy Period or the Extended Reporting Period, if exercised. The Limit of Liability available to pay judgments or settlements shall be reduced by amounts incurred as Claim Expenses. This application and all attachments shall form a part of this application and shall be held in strictest confidence. The terms "Insured", "Named Insured", "Investment Adviser", "Fund", "Service Provider" and "Claim" have the same meaning in this application as in the Policy.

For each Investment Adviser, Fund, or Service Provider applying for coverage, attach current indemnification provisions or by-laws.

The following material must also be attached to this application for each Investment Adviser applying for coverage:

1. Standard client contract for discretionary and non-discretionary accounts.
2. Complete Form ADV, including Parts I and II and all applicable schedules.
3. The latest CPA letter to management relating to internal controls and any written response thereto.
4. Most recent financial statement.
5. Performance figures for the last 2 years for all lines of investments in private accounts with a comparison to the S&P 500 or similar indices.
6. Copies of the last two issues of any newsletter or other publication it publishes.

The following material must be attached to this application for each Fund applying for coverage:

1. Most recent Prospectus and Statement of Additional Information.
2. Most recent Annual Report.

Please indicate if any of **the materials requested above are not attached to this application and the reason why.**

This application is submitted by:

Insurance Agency/Agent:

Address:

Please submit this completed Application with all attachments to:
Zurich-American Specialties
Diversified Financial Institutions
One Liberty Plaza, 30th Floor
New York, New York 10006

5. PROPOSED INVESTMENT ADVISERS

a. Provide the following information for each Investment Adviser applying for coverage:

(1) Name and principal business address of Applicant Investment Adviser:

(2) Date of formation:

b. For each Investment Adviser listed above, indicate the percent of its income derived from the following services:

(1) Mutual Funds %

(2) Private Accounts %

(3) Other %

c. For each Investment Adviser applying for coverage for private account services, provide the following information regarding:

(1) Discretionary accounts:

<i>Accounts</i>	<i>Total Number of Accounts</i>	<i>Total Asset Value of All Accounts</i>	<i>Asset Value of Largest Account</i>
ERISA Fiduciary Plans			
Non-ERISA Pension and Employee Benefit Plans			
Wrap Accounts			
Mutual Funds			
REITS			
All Other Accounts (Describe)			
TOTAL			

(2) Non-discretionary accounts:

<i>Accounts</i>	<i>Total Number of Accounts</i>	<i>Total Asset Value of All Accounts</i>	<i>Asset Value of Largest Account</i>
ERISA Fiduciary Plans			
Non-ERISA Pension and Employee Benefit Plans			
Wrap Accounts			
Mutual Funds			
REITS			
All Other Accounts (Describe)			
TOTAL			

d. Indicate the asset value and number of accounts lost during the last year:

e. Are the investment objectives of all ERISA plans checked to see if they comply with ERISA? If yes, how?

f. Do clients receive portfolio financial statements?

g. Are meetings held with clients? How often?

h. Is an "approved" list of securities maintained? If so, how are exceptions handled?

- i. Is there a policy for timely notification of a discretionary client's security transactions and changes in investment portfolio? -if yes, describe it.
- j. If a portfolio manager is not available, what is the procedure for making decisions in his or her absence?
- k. State the name, title and years of experience of the individual who manages compliance:
 - How often?
 - What compliance activities are provided by outside services or affiliates?
 - How frequently is compliance for investment guidelines and/or restrictions monitored?
- l. Who provides portfolio valuation services?
 - How often are pricing sources tested to verify accuracy of portfolio market values?
- m. Is there a Code of Ethics Policy? If yes, does it apply to all employees?
 - employees required to acknowledge receipt of it?
- n. Is there a Personal Trading Policy? If yes, does it apply to all employees? If yes, are all employees required to acknowledge receipt of it?
- o. Have any violations of the Code of Ethics and/or Personal Trading Policy been found in the last two years? If yes, describe the circumstances and the action taken.
- p. Please list the Portfolio Managers for the Mutual Funds and Private Accounts, indicating years of experience and time handling portfolio.

6. PROPOSED MUTUAL FUNDS

List each Fund applying for coverage and indicate each Fund's total assets. If additional space is needed, attach a sheet.

If yes, are all

<i>Name of Fund</i>	<i>Total Assets</i>
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- a. For each Fund listed above, indicate the percent of total sales accounted for by:
 - (1) Third party or independent brokers/dealers. %
 - (2) In-house, affiliated or captive brokers. %
 - (3) Direct marketing. %
- b. If a Fund listed above makes sales through in-house, affiliated or captive brokers or by direct marketing, indicate the percentage of such sales made by:
 - (1) A full time sales force.
 - (2) Customer sales representatives.

c. If the sales force or customer sales representatives solicit or make cold calls,

(1) Do they follow specific scripts?

(2) Do they give advice or make recommendations?

d.

(3) Are they paid on a commission basis?

Describe how the Fund checks the background, trains and monitors such personnel, and screens customers or potential customers for "suitability."

If a Fund executes portfolio transactions through an in-house or affiliated broker/dealer, indicate the percentage of transactions so handled and the disclosures made in connection with them.

7. PROPOSED SERVICE PROVIDERS WITHIN YOUR ORGANIZATION

For each Service Provider within your organization for which coverage is requested, provide the following information:

<i>Service Provider: Name and Address</i>	<i>Date Created or Acquired</i>	<i>Nature of Services Provided</i>	<i>Names of Mutual Funds Served</i>	<i>Contract Effective Date</i>

8. THIRD PARTY SERVICE PROVIDERS (Underwriters/Distributors, etc.)

For each Third Party Service Provider for which coverage is requested, complete the following information:

<i>Third Party Service Provider: Name and Address</i>	<i>Nature of Services Provided</i>	<i>Names of Mutual Funds Served</i>	<i>Contract Effective Date</i>	<i>Current Professional Coverage</i>

9. DERIVATIVES

a. Please provide a list of all Funds and private accounts that currently hold derivatives, including strips and mortgage backed securities, indicating the type of instruments, their market values, the percentage of each fund's or private account's total assets involved in derivatives and how the derivatives are used (i.e., hedging, yield enhancement, etc.).

b. Is any Fund leveraged? If yes, what percentage is leveraged?

Do all clients sign a disclosure statement acknowledging their understanding of the extreme volatility of such investments? If no, please explain:

c. How often does any Investment Adviser or Fund review:

- (1) The strategy used with respect to derivatives or the types of derivatives used?
- (2) Whether the use of derivatives is consistent with the investment policy of each Fund?
- (3) Whether the use of derivatives is adequately disclosed to private account customers or Fund investors?
- (4) The adequacy of the methods used to value any derivatives held or purchased on behalf of any private account customers or Fund?

10. CURRENT INSURANCE

If any Proposed Insured currently has mutual fund, investment advisers, directors and officers or fidelity bond liability coverage, complete the following schedule. If not, skip to Section 11.

<i>Type of Insurance</i>	<i>Name of Insurer</i>	<i>Limit(s) of Liability</i>	<i>Deductible(s)</i>	<i>Policy Period</i>
<i>Mutual Fund Investment Advisers Liability</i>				
<i>Directors and Officers Liability</i>				
<i>Fidelity Bond</i>				
<i>Other (indicate):</i>				

11. PAST ACTIVITIES

a. Has any Proposed Insured been involved in any of the following in the last three years:

- (1) Anti-trust, copyright, or patent litigation?
- (2) Civil or criminal action or administrative proceeding charging or investigating violation of a federal or state securities law or regulation?
- (3) Any other criminal action?
- (4) Representative actions, class actions or derivative suits?
- (5) Bankruptcy, receivership or insolvency?

b. Has any Fund or Investment Adviser changed its accountant or legal counsel in the last two years?

c. Has the SEC, any state regulator or self-regulatory organization conducted an inspection, investigation or examination of any Proposed Insured in the last three years?

If yes to any of the questions in a., b. or c. above, attach full details including a copy of each letter of deficiency issued by the SEC, any state regulator or any self-regulatory organization and management's response thereto.

12. PRIOR KNOWLEDGE/REPRESENTATIONS

- a. No Proposed Insured is aware of any fact or circumstance or any actual or alleged act, error or omission which it, he or she has reason to suppose might give rise to a future claim that would fall within the scope of the proposed coverage, except (if no exceptions, please state):

It is agreed that if such fact or circumstance or actual or alleged act, error or omission exists, whether or not disclosed, any Claim arising therefrom is excluded from this proposed coverage.

- b. Has any Proposed Insured given written notice under the provisions of any prior or current mutual fund, investment advisers, directors and officers or fidelity bond liability policy of specific facts or circumstances which might give rise to a Claim being made against any Proposed Insured? If yes, please attach details.
- c. Has any insurer made any loss payment on behalf of any Proposed Insured under any mutual fund, investment advisers, directors and officers or fidelity bond liability policy or any similar insurance? attach details, if yes

13. FALSE INFORMATION

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 false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime in certain jurisdictions.

14. DECLARATION AND SIGNATURE

The undersigned declares that to the best of his or her knowledge and belief the statements set forth herein are true. The signing of this application does not bind the Insurer, or any Proposed Insureds to effect insurance. The undersigned agrees that this Application and its attachments shall be the basis of the contract should a policy be issued and shall be attached to and shall form part of the policy. The Insurer is hereby authorized to make any investigation and inquiry in connection with this application that it deems necessary.

The undersigned, on behalf of all Proposed Insureds, agrees that if the information in the declarations, representations and warranties contained in this application and its attachments materially changes between the date of this application and the inception of the proposed coverage, the undersigned will immediately report in writing to the Insurer such change, and the Insurer may withdraw or modify any outstanding quotations or agreements to bind coverage. The undersigned acknowledges and agrees that the Insurer's receipt of such written report, prior to inception of the proposed coverage, is a condition precedent to coverage.

This application must be signed by the Chairperson of the Board or President of the Named Insured.

Signature:

Title:

Date:

FOR NEW YORK 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 ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME AND SHALL ALSO BE SUBJECT TO A CIVIL PENALTY NOT TO EXCEED FIVE THOUSAND DOLLARS (\$5,000.00) AND THE STATED VALUE OF THE CLAIM FOR EACH SUCH VIOLATION.