

51 Harvard Street
Worcester, MA 01609
Phone: 508-755-6210
Fax: 508-753-0646
www.quakerma.com

APPLICATION

**INVESTMENT ADVISER AND MUTUAL FUND PROFESSIONAL
AND DIRECTORS & OFFICERS LIABILITY POLICY**

NOTICE: THE POLICY FOR WHICH THIS APPLICATION IS MADE APPLIES, SUBJECT TO ALL OF ITS TERMS, CONDITIONS, AND LIMITATIONS, ONLY TO CLAIMS FIRST MADE AGAINST THE INSUREDS DURING THE POLICY PERIOD OR, IF APPLICABLE, THE EXTENDED REPORTING PERIOD. THE POLICY'S LIMIT OF LIABILITY AVAILABLE TO PAY DAMAGES OR SETTLEMENTS WILL BE REDUCED, AND MAY BE EXHAUSTED, BY THE PAYMENT OF DEFENSE COSTS. DEFENSE COSTS WILL BE APPLIED AGAINST ANY APPLICABLE RETENTION. THE INSURER WILL HAVE NO DUTY UNDER THE POLICY TO DEFEND ANY INSURED.

As used in this Application, the term "Applicant" means any person or entity proposed for this insurance. If the response to an item is "not applicable" or "none," please so indicate. Attach additional pages as needed.

1. GENERAL INFORMATION REGARDING PRINCIPAL COMPANY

- a. Named Insured:
- b. Principal address:
- c. State of incorporation:
- d. Date established:
- e. Primary Standard Industrial Classification (SIC) Code:
- f. Website:
- g. Name, title and e-mail address of person designated as Applicants' agent to receive notices concerning the proposed insurance:

2. EQUITY SECURITIES

Are the equity securities of the Named Insured or any of its subsidiaries publicly traded?

YES NO If YES:

- a. On which exchange are such securities traded?
- b. Is the Named Insured aware of any person or entity making a Schedule 13D filing with the Securities and Exchange Commission ("SEC") with respect to such securities?
 YES NO If YES, provide complete details.

3. OWNERSHIP OF PRINCIPAL COMPANY

- a. Number of Named Insured's common equity shares outstanding:
- b. Number of Named Insured's common equity shareholders:
- c. Percentage of Named Insured's common equity shares owned directly or beneficially by officers and/or directors:
- d. Does any shareholder own, directly or beneficially, 5% or more of the Named Insured's common equity shares, or does any person or entity have the right to acquire, directly or beneficially, 5% or more of the Named Insured's common equity shares? YES NO
If YES, provide complete details.

4. PROPOSED INVESTMENT ADVISERS

- a. Provide the name, principal address and date established for each Investment Adviser proposed for this insurance.
- b. For each Investment Adviser proposed for this insurance, indicate the percentage of total income derived from each of the following services:
 - i. Mutual funds,
 - ii. Private accounts, and/or
 - iii. Other.
- c. For each Investment Adviser applying for coverage for private account services:
 - i. Provide the following information regarding discretionary accounts:

<i>Discretionary 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 or Hedge Funds			
REITs			
All Other Accounts (Describe)			
TOTAL			

- ii. Provide the following information regarding non-discretionary accounts:

<i>Non-Discretionary 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 or Hedge Funds			
REITs			
All Other Accounts (Describe)			
TOTAL			

With respect to each Investment Adviser proposed for this insurance:

- d. Provide the number and asset value of all accounts lost within the last year.
- e. Is there a policy or procedure for ensuring that the investment objectives of all ERISA plans comply with ERISA? YES NO If YES, please describe.
- f. Do clients receive portfolio financial statements? YES NO If YES, how often?
- g. Are meetings held with clients? YES NO If YES, how often?
- h. Is a list of approved securities maintained? YES NO If YES, how are exceptions handled?
- i. Is there a policy or procedure for timely notification of a discretionary client's security transactions and changes in investment portfolios? YES NO If YES, please describe.
- j. Are soft-dollar arrangements entered into? YES NO If YES, provide complete details.
- k. Compliance
 - i. Provide the name, title and years of experience of the individual who manages compliance.
 - ii. Are any compliance activities performed by non-affiliated outside parties?

- YES NO If YES, please describe.
- iii. Are any compliance activities performed by affiliates? YES NO If YES, please describe.
- iv. How often are investment guidelines and/or restrictions reviewed for compliance?
- l. Portfolio Valuation**
- i. Who performs portfolio valuations?
- ii. How often are pricing sources tested to verify accuracy of portfolio market values?
- m.** Is there a code of ethics? YES NO If YES:
- i. Does it apply to all employees? YES NO
- ii. Are employees required to acknowledge receipt of it? YES NO
- n.** Is there a policy governing personal trading? YES NO If YES:
- i. Does it apply to all employees? YES NO
- ii. Are employees required to acknowledge receipt of it? YES NO
- o.** Has any violation of the code of ethics or policy governing personal trading been found within the last two years? YES NO If YES, provide complete details (including a description of action taken by management in response).
- p.** Provide the names and years of experience of the portfolio managers.
- q.** If a portfolio manager is not available, what is the policy or procedure for making decisions in his or her absence?

5. PROPOSED MUTUAL FUNDS

- a.** Provide the name and total assets of each Fund proposed for this insurance.
- b.** For each Fund proposed for this insurance, indicate the percentage of sales derived from each of the following:
- i. Non-affiliated third parties or independent brokers/dealers,
- ii. In-house, affiliated or captive brokers, and/or
- iii. Direct marketing.
- c.** If any Fund proposed for this insurance makes sales through in-house, affiliated or captive brokers, or through direct marketing, indicate the percentage of such sales by each of the following:
- i. Full-time sales force, and/or
- ii. Customer sales representatives.
- d.** Does any Fund proposed for this insurance enter into contingent commission arrangements? YES NO If YES, provide complete details.
- e.** Does any Fund proposed for this insurance execute portfolio transactions through in-house, affiliated or captive brokers? YES NO If YES:
- i. Indicate the percentage of portfolio transactions executed through in-house, affiliated or captive brokers.
- ii. What disclosures are made in connection with such transactions?

6. PROPOSED SERVICE PROVIDERS

Provide the following information for each Service Provider within the Named Insured's organization proposed for this insurance:

- a.** Name and principal address,
- b.** Date acquired or created,

- c. Nature of services provided.
- d. Names of mutual funds serviced, and
- e. Contract dates.

7. DERIVATIVES

- a. Provide the name of each Fund or private account proposed for this insurance that currently holds derivatives (including strips and mortgage-backed securities). For each such Fund or private account, indicate:
 - i. The percentage of total assets held in derivative instruments,
 - ii. The types and market values of the derivative instruments, and
 - iii. How the derivative instruments are used (hedging, yield enhancement, etc.).
- b. Is any Fund proposed for this insurance leveraged? YES NO If YES:
 - i. What percentage is leveraged?
 - ii. Do all clients sign a disclosure statement acknowledging their understanding of the extreme volatility of such investments? YES NO If NO, please explain.
- c. How often do the Investment Advisers and/or Funds proposed for this insurance review:
 - i. The strategies regarding derivatives and the types of derivatives used?
 - ii. The adequacy of the methods used to value derivatives?
 - iii. Whether the use of derivatives is consistent with the investment guidelines and/or restrictions of each Fund?
 - iv. Whether the use of derivatives is adequately disclosed to private account customers and/or Fund investors?

8. INSURANCE INFORMATION

Is any Applicant currently insured under any investment adviser, mutual fund, service provider or similar professional liability insurance, or under any directors and officers liability insurance?

YES NO If YES:

- a. Has any issuer of such insurance made any loss payment to or on behalf of any Applicant? YES NO If YES, provide complete details.
- b. Has any issuer of such insurance indicated an intent not to offer renewal terms? YES NO If YES, provide complete details.
- c. List the types of policies maintained, names of issuers, limits of liability, deductible amounts and policy periods.

9. TRANSACTIONS/CHANGES

- a. Has any entity proposed for this insurance:
 - i. Publicly disclosed that it now has under consideration any acquisition, tender offer, merger or divestiture? YES NO If YES, provide complete details.
 - ii. Within the last year, publicly disclosed or made any new public offering of securities pursuant to the Securities Act of 1933 (or exempt from registration under Regulation A)? YES NO If YES, provide complete details (including any prospectus).
- b. Within the next year, does any entity proposed for this insurance contemplate entering into any transaction described in 9.a.i or 9.a.ii? If YES, provide complete details.
- c. Within the last three years, has there been any change in the senior management or board of directors of any entity proposed for this insurance, other than by reason of death or retirement? YES NO If YES, provide complete details.

10. PAST ACTIVITIES

- a. Has any Applicant ever been a party to the following:
- i. Anti-trust litigation? YES NO
 - ii. Copyright, patent or trademark litigation? YES NO
 - iii. Civil or criminal action or administrative proceeding charging or investigating any violation of any securities law or regulation? YES NO
 - iv. Any other criminal action? YES NO
 - v. Representative action, class action or derivative litigation? YES NO
 - vi. Bankruptcy, receivership or insolvency? YES NO
- If YES to any of the above, provide complete details.
- b. Within the last three years, has any entity proposed for this insurance changed its accountant, outside auditor or legal counsel? YES NO If YES, provide complete details.

11. REGULATORY EXAMINATIONS

- a. For each entity proposed for this insurance, provide the following information regarding such entity's two most recent regulatory examinations:
- i. Name of regulatory authority,
 - ii. Date of examination, and
 - iii. Location of examination (on-site or off-site).
- b. Have all recommendations and/or criticisms arising from all such regulatory examinations been complied with or addressed? YES NO If NO, provide complete details.
- c. Has any Applicant been fined by the SEC or any other regulatory authority? YES NO
If YES, provide complete details.

12. PRIOR KNOWLEDGE/REPRESENTATIONS

- a. Within the last five years, has any claim such as would fall within the scope of the proposed insurance been made against any Applicant? YES NO If YES, provide complete details.
- b. Is any Applicant aware of any fact, circumstance or situation which might reasonably be expected to give rise to a claim such as would fall within the scope of the proposed insurance? YES NO If YES, provide complete details.

Without prejudice to any other rights or remedies of the Insurer, it is understood and agreed that any matter or claim based upon, arising out of or in any way involving any fact, circumstance, situation or claim required to be disclosed in response to 12.a and 12.b shall be EXCLUDED from coverage under the proposed insurance.

13. REQUIRED ATTACHMENTS

- a. Attach the Named Insured's:
- i. Notice to shareholders and proxy statement for the most recent shareholders' meeting, and
 - ii. Latest annual report (including complete audited financial statements for the last three years).
- b. Attach the current indemnification provisions or by-laws of each Investment Adviser, Fund or Service Provider proposed for this insurance.
- c. Attach the following materials for each Investment Adviser proposed for this insurance:
- i. Standard client contract for discretionary and non-discretionary accounts,
 - ii. Complete Form ADV (including Parts I and II and all applicable schedules),

- iii. Latest CPA letter to management regarding internal controls and any written response thereto,
 - iv. Latest audited financial statement (with any notes and schedules) and latest interim financial statement,
 - v. Performance figures for the last five years for all lines of investments in private accounts (with a comparison to the S&P 500 or similar indices), and
 - vi. Copies of the last two issues of any newsletter or similar publication.
- d. Attach the following materials for each Fund proposed for this insurance:
- i. Latest Prospectus and Statement of Additional Information, and
 - ii. Latest annual and quarterly reports.

14. DECLARATION AND SIGNATURE

This Application must be signed by the Named Insured’s President, Chief Executive Officer or Chairman of the Board of Directors acting as the authorized agent of all Applicants. On behalf of all Applicants, the undersigned declares that, to the best of his or her knowledge and belief, and after reasonable inquiry, the statements and information contained in this Application are true and complete. “Application,” as used in this form and any policy that may be issued on the basis of this form, includes all statements and information contained in this form, any attachment to this form, any public document filed by the Applicants with the SEC, and any written public certification required by law regarding the Applicants’ financial statements, SEC filings or internal controls. All such attachments, documents, filings and certifications will be considered physically attached to and part of this Application. This Application will be considered physically attached to and part of any policy that may be issued on the basis of this Application. The Insurer will rely upon this Application in issuing any such policy.

The Insurer is authorized to make any additional inquiry in connection with this Application. Accepting this Application does not bind the Insurer to issue any policy of insurance. If any information contained in this Application changes materially before the effective date of any policy issued on the basis of this Application, the Applicants must notify the Insurer and the Insurer may modify or withdraw any quotation for coverage.

SIGNATURE:

--	--

President, Chief Executive Officer or Chairman of the Board of Directors Date

Please print or type name here:

15. ADDITIONAL NOTICES

NOTICE TO COLORADO APPLICANTS: IT IS UNLAWFUL TO KNOWINGLY PROVIDE FALSE, INCOMPLETE, OR MISLEADING FACTS OR INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING OR ATTEMPTING TO DEFRAUD THE COMPANY. PENALTIES MAY INCLUDE IMPRISONMENT, FINES, DENIAL OF INSURANCE, AND CIVIL DAMAGES. ANY INSURANCE COMPANY OR AGENT OF AN INSURANCE COMPANY WHO KNOWINGLY PROVIDES FALSE, INCOMPLETE, OR MISLEADING FACTS OR INFORMATION TO A POLICY HOLDER OR CLAIMANT FOR THE PURPOSE OF DEFRAUDING OR ATTEMPTING TO DEFRAUD THE POLICY HOLDER 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.

NOTICE TO NEW YORK APPLICANTS: 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, 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.

NOTICE TO PENNSYLVANIA APPLICANTS: 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 AND SUBJECTS SUCH PERSON TO CRIMINAL AND CIVIL PENALTIES.

NOTICE TO APPLICANTS OF FLORIDA, KENTUCKY, MINNESOTA, NEW JERSEY, OHIO AND OKLAHOMA: ANY PERSON WHO KNOWINGLY, AND WITH INTENT TO INJURE, DEFRAUDS OR DECEIVES ANY INSURER OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM FOR THE PROCEEDS OF AN INSURANCE POLICY CONTAINING ANY FALSE, INCOMPLETE, OR MISLEADING INFORMATION OR CONCEALS FOR THE PURPOSE OF MISLEADING INFORMATION CONCERNING ANY FACT MATERIAL THERETO, IS GUILTY OF A FELONY AND IS SUBJECT TO CRIMINAL AND CIVIL PENALTIES.

NOTICE TO APPLICANTS OF VIRGINIA, MAINE AND NEW MEXICO: IT IS A CRIME TO KNOWINGLY PROVIDE FALSE, INCOMPLETE OR MISLEADING INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING THE COMPANY. PENALTIES INCLUDE IMPRISONMENT, FINES AND DENIAL OF INSURANCE BENEFITS. IF AN EXTENDED REPORTING PERIOD IS ELECTED THE LIMIT WILL NOT BE REINSTATED. MATERIALS SUBMITTED IN CONNECTION WITH THE APPLICATION WILL FORM A PART OF THE POLICY.

WARNING TO APPLICANTS OF THE DISTRICT OF COLUMBIA: IT IS A CRIME TO PROVIDE FALSE OR MISLEADING INFORMATION TO AN INSURER FOR THE PURPOSE OF DEFRAUDING THE INSURER OR ANY OTHER PERSON. PENALTIES INCLUDE IMPRISONMENT AND/OR FINES. IN ADDITION, AN INSURER MAY DENY INSURANCE BENEFITS IF FALSE INFORMATION MATERIALLY RELATED TO A CLAIM WAS PROVIDED BY THE APPLICANT.