

**Merganser Capital Management, LLC**  
**Policies and Procedures**  
*CONFIDENTIAL*

**B. PROXY VOTING**

**Most Recently Amended: January 3, 2011**

**Adopted: October 5, 2004**

**PURPOSE:**

The purpose of this policy is to ensure that proxies are voted in accordance with our clients' best interests or instructions.

**BACKGROUND:**

Rule 275.206(4)-6 of the IAA governs proxy voting by investment advisers. It requires advisers to implement written policies and procedures governing how they will vote proxies. It also requires them to disclose to clients, when requested, how they voted certain proxies and to furnish clients with a copy of the advisers' policies and procedures on proxy voting.

Given the nature of fixed income securities, Merganser is rarely required to vote on proxies. The typical exception occurs with respect to Money Market Mutual Funds that are used as sweep vehicles by custodian banks.

**POLICY:**

1. Merganser will notify the client giving them the opportunity to vote or instruct us how to vote their proxy. When a client specifically instructs Merganser not to contact them about proxies, Merganser will vote the proxy in a manner which in its best judgment reflects the client's best economic interest and fosters good corporate governance. In other routine matters, Merganser will vote in accordance with management recommendations.
2. If requested, Merganser will offer our clients advice on proxy questions.
3. Merganser will facilitate the proxy voting so as to minimize the administrative burden on our clients. Therefore, for all Money Market Mutual Fund proxies, Compliance will vote to approve all auditor, director and legal counsel requests. If Merganser wishes to deviate from this, they shall notify the client of such decision.
4. If our contract assigns responsibility for proxy voting to the client or the client otherwise indicates a desire to vote proxies, Merganser will forward all materials to them for voting.

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**PROCEDURE(s):**

1. Receipt of proxies

Upon receipt of proxy material, Merganser will date stamp the ballot and forward all material to the Compliance Department (“Compliance”). Compliance will log the receipt on the Proxy Voting Control sheet.

2. Review of proxy material

- a. For all Money Market Mutual Fund proxies, Compliance will vote to approve all auditor, director and legal counsel requests.
- b. For all non-Money Market Mutual Fund proxies, Compliance will review the material. Compliance will then forward a copy of the ballot and other material to the Portfolio Manager (“PM”) for review and recommendation(s). Compliance will offer the PM recommendations where appropriate.
- c. PM will review the proxy material and make recommendation(s) for the client’s consideration. The proxy material will be returned to Compliance with the PM’s recommendations.

3. Advising clients of our recommendations

- a. Unless Merganser has been directed by the client to vote all proxies without consulting them, the Relationship Manager (“RM”) will contact the client with our recommendations on voting the proxy and offer the opportunity to instruct us otherwise.
- b. RM will contact the client by telephone, letter or e-mail to review the proxy material and determine how the client wants to vote. If requested, the RM, with assistance of the PM, may offer advice to the client. A letter with copies of proxy documents will be sent to the client upon request.

4. Voting proxies

- a. The proxy material will be returned to Compliance for voting. The vote will be made via Internet whenever possible.

5. Recordkeeping

- a. A record of the vote, PM recommendations and any client correspondence will be filed in the client legal folder.
- b. Compliance will update the Proxy Voting Control sheet.