

Topic: Proxy Voting

Effective Date: March 14, 2006;

Revised: March 13, 2007; June 15, 2007; December 11, 2007; October 26, 2009

SUMMARY

Davidson Trust Co. (DTC) has delegated its administrative duties with respect to voting proxies to a voting committee comprising qualified members duly appointed by Davidson Companies President (the "Committee"). The Committee's duties consist of analyzing proxy statements of issuers whose stock is owned by any client (including both investment companies and any separate accounts managed by DTC) that has either implicitly or explicitly delegated proxy voting administrative responsibility to DTC. The Committee processes proxy votes on behalf of, and DTC votes proxies solely in the interests of, its clients (collectively, "DTC Clients") that have properly delegated such responsibility.

STANDARDS

How DTC Votes Proxies

Fiduciary Considerations. All proxies received by the Committee are voted based upon DTC's instructions and policies. To assist it in analyzing proxies, DTC has hired an unbiased, qualified third party, Institutional Shareholders Services ("ISS"). DTC will generally vote in accordance with ISS's recommendation but reserves the right to exercise its own judgment on a case-by-case basis. As a matter of policy, the officers, directors and employees of DTC and the Committee are not influenced by outside sources whose interests conflict with the interests of DTC Clients.

Conflicts of Interest. All conflicts of interest are resolved in the interests of DTC Clients. DTC is an affiliate of two financial services firms and makes best efforts to avoid conflicts of interest. However, a situation may arise where one affiliate makes a voting decision on a company's proxy without the knowledge that another affiliate manages that company's retirement plan or other assets. In situations where DTC perceives a material conflict of interest, DTC may disclose the conflict to the relevant DTC Clients and solicit their consent to proceed with the voting, defer to the voting recommendation of the DTC Clients, or ISS, or take such other action in good faith (in consultation with counsel) which would protect the interests of DTC Clients. Examples of material conflicts of interest may include, but are not limited to, the following situations:

- DTC manages a pension plan or provides brokerage, underwriting or other services to a company whose management is soliciting proxies.
- An affiliate of DTC has business relationships, such as an investment banking or financial consulting relationship, with the company whose management is soliciting the proxies.
- DTC's directors, officers or portfolio managers have business or personal relationships with the participants in a proxy contest, or with directors or candidates for directorships of a company whose management is soliciting proxies.

Weight Given Management Recommendations. One of the primary factors DTC considers when determining the desirability of investing in a particular company is the quality and depth

of that company's management. Accordingly, the recommendation of management on any issue is a factor which DTC considers in determining how proxies should be voted. However, DTC does not consider recommendations from management to be determinative of DTC's ultimate decision. As a matter of practice, the votes with respect to most issues are cast in accordance with the position of the company's management. Each issue, however, is considered on its own merits, and DTC will not support the position of a company's management in any situation where it determines that the ratification of management's position would adversely affect the investment merits of owning that company's shares.

The Proxy Committee

The Committee is advised by legal counsel. The Committee will employ staff members for proxy voting administration and providing support and assistance where needed. The Voting Administrator reviews each proxy upon receipt as well as any agendas, materials and recommendations received from ISS or other sources. The Committee maintains a log of all shareholder meetings that are scheduled for companies whose securities are held in DTC's managed accounts. The Committee is responsible for making the final voting decision based on its review of the agenda, ISS analysis, its knowledge of the company, the account objectives and any other information readily available, and subject to the advice of legal counsel. Where the Committee determines that there is a material conflict of interest or that its decision is inconsistent with the advice of legal counsel, the Committee is responsible for making the final voting decision.

Basis for Voting Proxies and General Policies

DTC's proxy voting is based on its experience with voting and corporate governance issues. Each proxy will be considered based on the relevant facts and circumstances. DTC has developed general policies on a limited number of corporate matters over the years. Each of these policies is conditioned by the facts and circumstances of each proxy proposal and the DTC Client's interests. However, as a general policy DTC would vote in favor of proxy proposals that enhance the independence of board membership, against measures that promote anti-takeover defenses, and for incentive compensation that would align management interests with shareholder interests, including stock-based compensation and restricted stock award programs. Corporate governance issues, however, are diverse and continually evolving and even these general policies may not be appropriate in some circumstances. DTC devotes appropriate time and resources to monitor these changes in corporate governance and to determine a vote that would serve the best interests of the DTC Client.

Decisions not to Vote Proxies

The Committee is fully cognizant of its responsibility to process proxies and maintain proxy records pursuant to applicable rules and regulations. In addition, DTC understands its fiduciary duty to vote proxies and that proxy voting decisions may affect the value of shareholdings. Therefore, DTC will attempt to process every vote it receives for all domestic and foreign proxies. However, there may be situations in which DTC cannot vote proxies. For example, if the cost of voting a foreign proxy outweighs the benefit of voting, the Voting Administrator may refrain from processing that vote. Additionally, the Voting Administrator may not be given enough time to process the vote. For example, the Voting Administrator, through no fault of his/her own, may receive a meeting notice from the company too late, or may be unable to obtain a timely translation of the agenda. In addition, if DTC has outstanding sell orders, the proxies for those meetings may not be voted in order to facilitate the sale of those securities. Although DTC may hold shares on a company's record date, should it sell them prior to the company's meeting date, DTC ultimately may decide not to vote those shares.

PROCEDURES

The following describes the standard procedures that are to be followed with respect to carrying out DTC's proxy policy:

1. The Voting Administrator will review and compile information on each proxy upon receipt of any agendas, materials, reports, recommendations from ISS or other information.
2. In determining how to vote, the Committee will consider the general guidelines described in DTC's proxy policy, ISS analysis, its knowledge of the company, the account objectives and any other information readily available. Where the Committee determines that there is a material conflict of interest between DTC or an affiliate and the DTC Client, the Committee is responsible for making the final voting decision.
3. Generally, in advance of a company's annual meeting, the Committee will submit its vote electronically via Proxyedge, which keeps a record of all votes. If the holdings are not set up on Proxyedge, the Voting Administrator will vote the proxy manually and return it to the company by U.S. mail. The Voting Administrator will retain a copy of any proxy that is voted manually.
4. The Committee will annually circulate questionnaires to DTC's directors, executive officers and other pertinent people requesting information regarding these individuals' and DTC's affiliations with other companies, in order to assist the Committee in determining when a material conflict of interest may exist between DTC or an affiliate and a DTC Client.
5. The Voting Administrator is responsible for maintaining the documentation that supports DTC's voting position. Such documentation will include, but is not limited to, any information provided by ISS or other proxy service providers, and, especially as to non-routine, materially significant or controversial matters, memoranda describing the position it has taken, why that position is in the best interest of DTC Clients (including separate accounts such as ERISA accounts as well as mutual funds), an indication of whether it supported or did not support management and any other relevant information.
6. After the proxy is completed, but before it is returned to the issuer and/or its agent, the Committee may review those situations, including special or unique documentation, to determine that the appropriate documentation has been created, including conflict of interest screening.
7. The Committee will prepare reports for each client that requests a record of votes cast. The report will specify the proxy issues that are voted for the client during the requested period and the position taken with respect to each issue. The Committee will send one copy to the client and retain a copy in the client's file.
8. The Voting Administrator is responsible for maintaining appropriate proxy voting records. Such records will include, but are not limited to, a copy of all materials returned to the issuer and/or its agent, the documentation described above, and any other relevant information. The Committee and Voting Administrator may use an outside service such as ISS to support this function. All records will be retained for at least five years, the first two of which will be on-site. DTC Clients may request copies of their proxy voting records by sending a written request to: Davidson Trust Co., ATTN: Client Services, P. O. Box 5015, Great Falls, MT 59403. DTC Clients may review DTC's proxy voting policies and procedures on-line at www.davidsoncompanies.com and clicking on the Davidson Trust Co. link and then on the Legal Information link. In addition, the Committee is responsible for ensuring that the proxy voting policies, procedures and records of DTC are available as required by law.

SUPERVISORY PROCESS

The Committee shall review these policies and procedures at least on an annual basis.