

## B. C. ZIEGLER AND COMPANY

### PROXY VOTING POLICIES AND PROCEDURES (July 2009)

#### Introduction

B. C. Ziegler and Company (the “Firm”) has adopted these Proxy Voting Policies and Procedures pursuant to Investment Company Act Release IC-25922 (“Disclosure of Proxy Voting Policies and Proxy Voting Records by Registered Management Investment Companies”). The Release, among other things, requires each Investment Advisor to describe or include in its Form ADV a statement of the policies and procedures that the Firm uses to determine how to vote proxies relating to portfolio securities, including procedures that the Firm uses when a vote presents a conflict between the interests of clients and those of the investment advisor, or an affiliated person of the Firm or underwriter.

#### General Policies and Procedures

Investment Adviser Representatives (“IAR’s”) may manage client assets on a discretionary basis consistent with a stated Investment Policy Statement. In such circumstances, IAR’s buy, hold and sell securities in pursuit of this goal. IARs may also assist clients in exercising their rights as shareholders, including their voting rights, in the companies in which they invest in furtherance of this goal.

Management is entrusted with the day-to-day operations of a company, and a company's board of directors is responsible for long-range and other strategic planning decisions and corporate oversight. The Firm and its IARs do not and cannot micromanage the companies in which they invest. While the Firm and its IARs remain confident in the capabilities and motivations of a company's management (including its board of directors), the Firm will give considerable deference to the views of management with regard to matters submitted to a vote of shareholders. As a result, the Adviser will frequently vote in a manner consistent with management's recommendations.

The Firm believes sound corporate governance adds value to shareholders of companies. The Firm and its IARs will generally support matters which promote the following corporate governance objectives: accountability of a company's management and board of directors to its shareholders; close alignment of the interests of management with those of shareholders; protection of shareholder rights, including voting rights; and accurate, understandable and timely disclosure of material information about a company's operations and financial performance.

#### Specific Matters.

Specific matters of concern to the Adviser include election of directors, equity-based compensation, corporate structure and shareholder rights, takeover deterrents and defense mechanisms, and social policy issues and shareholder proposals. The Firm and its IARs will generally disfavor any matter that in its view is not in the best interests of a company's shareholders and particularly their interest in the creation of value for their shares. The Firm and its IARs will also not generally approve any matter that weakens the accountability of a company's management to shareholders, potentially skews the alignment of the interests of management with those of shareholders, abridges shareholder rights, deters legitimate change of control transactions or has a potential adverse economic effect on a company. The Firm will also vote against management's nominees for election as directors and other management recommendations if the Adviser believes that management, including the board of directors, is failing to serve the best interests of their companies' stockholders.

- Election of Directors. The Firm supports a board of directors consisting of a majority of independent directors and supports the annual election of the entire board of directors. The Adviser will generally resist efforts to create a staggered or classified board and will generally support

attempts to de-classify existing Boards. The Adviser also generally favors cumulative voting in the election of directors because it increases the shareholders' rights to effect change in the management of a company. However, other protections, such as a nominating committee comprised entirely of independent directors and a board consisting of a majority of independent directors, may make cumulative voting less important. The Firm also supports the ability of shareholders to remove directors with or without cause and to fill vacancies on the board. In voting to elect or withhold support for a nominee to a company's board, the Adviser will consider the experience and likely contribution of the nominee to the board and any committees of the board and his or her knowledge of the company and its industry.

- Ratification of Independent Accountants. In considering whether to ratify the selection of independent accountants, the Adviser will take into account the reputation of the accounting firm and the services it has or can provide to the company, and any other relationships it may have with the company, the company's board or its audit committee.
- Equity-Based Compensation. The Firm believes that properly designed equity-based compensation plans, including stock option plans, can effectively align the interests of shareholders with those of management and key employees. The Firm is generally opposed to plans that substantially dilute their ownership interest in companies, provide participants with excessive awards or have other objectionable features and terms (such as de minimus exercise prices, automatic re-pricing features or the absence of vesting or holding period requirements).
- The Firm also believes that management, particularly a company's executive officers, should be fairly compensated and provided appropriate incentives to create value for shareholders. However, the Adviser will generally not support, without valid justification, compensation or severance pay which it considers to be excessive, or bonuses and other incentives that are not tied to the creation of shareholder value.
- Corporate Structure and Shareholder Rights. The Firm believes that shareholders generally should have voting power equal to their equity interest in a company and should be able to approve or reject matters by a simple majority vote. The Adviser will generally support proposals to eliminate supermajority vote requirements and will generally vote against proposals to impose supermajority vote requirements. The Adviser will also generally not support proposals for the creation of a separate class of common stock with greater or lesser voting rights. The Adviser generally opposes proposals that eliminate or restrict the right of shareholders to call meetings or to take action by written consent in lieu of a meeting.
- Takeover Deterrents. The Firm believes that the shareholders of a company should have the right to determine whether a change in control transaction is in their best interests. Although the Firm believes that in many change in control transactions a company's management plays an important role in increasing shareholder value, the Adviser is skeptical of shareholder rights plans (i.e., poison pills) that would require management's involvement in the process. Some poison pills are subject to shareholder vote, mandatory periodic review by independent directors, short-term sunset provisions and qualified/permitted offer provisions, and may be acceptable to the Adviser.
- Proposals to increase the number of authorized shares of common stock or to create "blank check" preferred stock can also be used to deter takeover attempts that are not favored by management. However, additional authorized shares and blank check preferred stock are useful for legitimate financing needs. The Firm will therefore consider the likely uses and number of the additional authorized shares in determining how to vote on such proposals.
- Social Policy Issues and Shareholder Proposals. The Firm generally will not support shareholder proposals on social policy issues or on a company's business practices, unless the Adviser believes such proposals may have a beneficial effect on the company's stock price. Shareholder proposals

typically relate to ordinary business matters which are more properly the responsibility of the company's management and its board of directors.

- Delegation of Proxy Voting; Conflicts of Interest. The Firm delegates its proxy voting decisions to ProxyCast, LLC, an unaffiliated entity that votes in accordance with this Proxy Voting Policies. The Firm's IARs (who are employees of the Adviser) do not decide on how votes should be cast.
- Proxies of the Adviser's clients may be solicited by a company at times in which the Adviser or one of its affiliates has, or is seeking, a business relationships with such company or in which some other conflict of interest may be present. For example, the Adviser or an affiliate of the Adviser may manage the assets of an executive officer or a pension plan of the subject company, administer the subject company's employee benefit plan, or provide brokerage, investment, trust, consulting or other services to the subject company. Personal relationships may also exist between a representative of the Adviser and a representative of the company. By the same token a conflict of interest may be present between the Adviser or one of its affiliates and other persons, whether or not associated with the subject company, who may have a stake in the outcome of the vote.
- Under these circumstances, the Firm may be inclined to vote in a certain way to avoid possible damage to its (or an affiliate's) relationship or potential relationship, which could be inconsistent with the Adviser's responsibility to its clients. Accordingly, when the Firm, or one of its affiliates, believes that a particular vote to be cast by the Adviser on behalf of a client presents a material conflict of interest, the Firm should bring the matter before the IAOC and explain the conflict. The Committee, if necessary, may seek guidance from outside counsel as to how the vote should be cast. The Committee's guidance will be binding on the Adviser.

#### **Miscellaneous.**

These Proxy Voting Policies and Procedures are guidelines to be followed by the Adviser who is delegated the responsibility for voting proxies on behalf of client. They are not hard and fast rules. Each matter on which each Adviser is entitled to vote will be considered on a case-by-case basis and votes will be cast in a manner believed in good faith to be in the best interest of the client. If a client's Investment Policy Statement requires that a vote be cast in a manner different from that required by this Proxy Voting Policy, the Firm will cast the client's vote in accordance with the client's Investment Policy Statement.