



DIVIDEND ASSETS CAPITAL, LLC

INVESTMENT ADVISORS

Proxy Voting Policy

DAC has adopted Proxy Voting Policies and Procedures (“Proxy Policies”) that require DAC to vote proxies received in a manner consistent with the best interest of its clients. DAC generally exercises proxy voting authority for its clients. In absence of specific voting guidelines from the client, the Firm will vote proxies according to DAC’s Proxy Policies.

DAC uses BroadRidge - Proxy Edge (“Proxy Edge”) to manage the client proxy voting process and engaged Glass Lewis, LLC (“Glass Lewis”) proxy voting services to establish an independent source to make proxy voting recommendations on behalf of clients. Except for conflicts, and as also may be noted in the DAC’s Proxy Policies, DAC has adopted the Glass Lewis Proxy Paper™ Guidelines - Investment Manager Policy (the “Guidelines”) which have been incorporated in DAC’s Proxy Policies.

The Guidelines are designed to maximize returns for investment managers by voting in a manner consistent with such managers’ active investment decision-making. The Guidelines are also designed to increase an investor’s potential financial gain, through the use of the shareholder vote, while also allowing management and the board discretion to direct the operations, including governance and compensation, of the company.

The Guidelines address Management Proposals such as Election of Directors, Auditor, Compensation, and Authorized Shares. For example, the Glass Lewis Investment Manager Guidelines will generally follow the following:

- support the election of incumbent directors except when majority of the company’s directors are not independent;
- support auditor ratification except when the non-audit fees exceed the audit fees paid to the auditor;
- vote against proposals where there would be a creation of a large pool of unallocated shares without some rational of the purpose of such shares;
- support proposals increasing or enhancing shareholder rights.

The Guidelines also address Shareholder Proposals by conducting a case-by-case review. The Guidelines generally support reasonable Governance initiatives. But the Guidelines will generally oppose any shareholder proposals seeking to limit compensation in amount or design. In addition, the Guidelines will generally oppose Environmental shareholder proposals that seek to cease certain practice or take certain actions related to the company’s activities or operations.

It should be noted the above examples are not inclusive of all types of ballot items requiring proxy votes by shareholders.

Although many proxy proposals can be voted in accordance with the established Guidelines, DAC recognizes that some proposals require special consideration, which may dictate that DAC’s Investment Committee use its best judgement as to what is in the client’s best interest.

As mentioned above, Conflicts of Interest are not part of the Guidelines but determined by DAC. Where a conflict of interest exists between DAC and the client regarding a Shareholder Proposal, DAC will request the client’s instructions with respect to the vote.

For more information about DAC’s proxy policies, please contact DAC’s compliance team at complianceteam@dacapitalsc.com or 843-645-9700.