

Proxy Voting

Proxy Voting Policy

Kayne Anderson Rudnick Investment Management, LLC (“KAR” and the “Firm”) has adopted and implemented policies and procedures that we believe are reasonably designed to ensure that proxies are voted in the best interest of our clients, in accordance with our fiduciary duties and SEC Rule 206(4)-6 under the Investment Advisers Act of 1940. The extent to which the Firm votes proxies is governed by the agreement between the Firm and its clients.

Where the Firm agrees to vote proxies for its clients, KAR acknowledges its responsibility to vote proxies in a manner that ensures the exclusive benefit for the underlying participants and beneficiaries. The Firm casts such proxy votes for the sole purpose of extending benefits to such participants and beneficiaries while using the care, skill, and diligence that a prudent person acting in a like capacity and familiar with such matters would use under the circumstances then prevailing.

KAR votes all proxies so as, in its opinion, to maximize shareholder value which is defined as long-term value accretion through dividend and price appreciation. In addition, the Firm’s investment philosophy is to purchase “Quality” companies for the portfolios of its clients. One of the four main criteria for “Quality” is excellence in management. Hence, the Firm tends to vote non-shareholder value issues in alignment with management’s recommendations, if there is no conflict with shareholder value.

Absent special circumstances, it is the policy of the Firm to exercise its proxy voting discretion in accordance with its Proxy Voting Guidelines outlined herein. These guidelines are applicable to the voting of U.S. and non-U.S. proxies.

KAR’s Use of a Proxy Advisor and Related Oversight

The Firm utilizes Institutional Shareholder Services, Inc. (“ISS” and the “Proxy Advisor”) to administer and analyze proxy votes. We determined initially that ISS has the capacity and competency to adequately analyze the matters for which the Firm is responsible for voting. The Proxy Advisor is reassessed on at least an annual basis by the Risk and Compliance Committee. Factors considered as part of this assessment include the following:

I. Whether the Proxy Advisor maintains sufficient staffing,

personnel, and technology to competently administer and analyze proxy votes.

II. Whether the Proxy Advisor maintains policies and procedures that are reasonably effective at seeking timely input from issuers and clients with respect to its proxy voting policies, methodologies and peer group constructions including “say-on-pay votes.” These policies and procedures shall take into consideration unique characteristics of each issuer.

III. Whether the Proxy Advisor adequately discloses its methodologies in formulating its voting recommendations, including its use of third party information sources and its interactions with issuers.

IV. Whether the Proxy Advisor has policies and procedures for obtaining current and accurate information relevant to matters included in its research and on which it makes voting recommendations. These policies and procedures shall address the Proxy Advisor’s engagement with issuers, efforts to correct materially deficient analysis, disclosure of sources used and consideration of factors unique to the issuer.

V. Whether the Proxy Advisor has policies and procedures in place to identify, disclose and address actual and potential conflicts concerning (1) its relationship with issuers that are subject of a proxy vote in writing and (2) its affiliations and ownership structure. Such policies and procedures shall be designed to produce disclosures that are context specific and utilize technology to make them readily accessible.

VI. Instances in the prior year, if any, where the Proxy Advisor’s recommendations to the Firm were made based on materially inaccurate or incomplete information meriting ballot changes. Additionally, instances in the prior year, if any, where the Proxy Advisor submitted incorrect ballots and any subsequent action taken by ISS to correct the issue.

Additionally, the Risk and Compliance Committee reviews the Proxy Advisor’s voting policies annually and confirms the policies are in the best interest of the Firm’s clients.

In addition to analysis provided by ISS, the Firm also leverages the investment management team’s knowledge as part of its oversight of the Firm’s proxy voting policies and procedures. As part of the Firm’s research process, which can include reviewing regulatory filings, press releases, and industry data as well as comprehensive interviews with management and company personnel, the investment management team develops a strong

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understanding of the issuer. As the investment process screens for excellence in management, the Firm generally believes that non-shareholder-value issues should be voted in alignment with management's recommendations as long as doing so does not present a conflict with clients' interests. While the Firm's clients may utilize different voting policies, the Firm believes there is no conflict between strategies because all strategies follow a singular quality focused investment strategy.

ERISA Accounts

Plans governed by the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), are to be administered consistent with the terms of the governing plan documents and applicable provisions of ERISA. In cases where sole proxy voting discretion rests with the Firm, the foregoing policies and procedures shall be followed, subject to the fiduciary responsibility standards of ERISA. These standards generally require fiduciaries to act prudently and to discharge their duties solely in the interests of participants and beneficiaries. The Department of Labor has indicated that the voting decisions of ERISA fiduciaries must generally focus on the course that would most likely increase the value of the stock being voted. Consistent with Labor Department positions, it is the policy of the Firm to follow the provisions of a plan's governing documents in the voting of employer securities, unless it determines that to do so would breach its fiduciary duties under ERISA.

Voting Administrative Procedures

Administration of proxy voting is coordinated by the Operations Department and the Proxy Advisor. Where the client has delegated proxy voting authorization to the Firm, accounts are set to prepopulate votes in accordance with one of several voting policies by the Proxy Advisor depending on the type of client and consistent with the Firm's voting principles. For certain situations, including the types of situations specifically listed below, the Firm's Operations Department provides prepopulated votes and the Proxy Advisor's analysis to the research analyst responsible for evaluating the issuer and/or the portfolio manager(s) responsible for the strategy holding the security for further review. If the research analyst and/or applicable portfolio manager(s) determine in good-faith that the Proxy Advisor's prepopulated vote is not in the best interest of the Firm's clients, the research analyst and/or applicable portfolio manager(s) shall submit a rationale to the Risk and Compliance Committee explaining: (1) how they propose to vote; (2) why the vote is in the clients' best interest and not to their detriment; and (3) whether they identified any material

inaccuracies or incomplete information on which the Proxy Advisor relied in making their recommendation. When two members of the Risk and Compliance Committee approve the change, the Operations Department shall manually override the ballot.

For votes involving a complex or controversial issue, the research analyst and/or portfolio manager(s) responsible for evaluating the issuer shall conduct further analysis before the votes are submitted. Further analysis may include discussions with the issuer or consideration of additional information. Circumstances meriting further analysis include, but may not be limited to, the following situations:

- a. Recommendations by the Proxy Advisor for votes against management in accordance with the proxy voting policy utilized for a client;
- b. Instances where the Firm is made aware that the issuer has responded to the Proxy Advisor's voting recommendation or contacts a member of the investment team with relevant supplemental information;
- c. Major corporate events including mergers and acquisitions, dissolutions, conversions, and consolidations; or
- d. Contested elections for directors.

If after the additional analysis is complete, the research analyst and/or portfolio manager(s) wish to propose a change to the prepopulated vote, they shall submit a rationale to the Risk and Compliance Committee explaining (1) how they propose to vote, (2) why the vote is in the clients' best interest, and (3) whether they identified any material inaccuracies or incomplete information on which the Proxy Advisor relied in making their recommendation.

With the approval of two members of the committee, the Operations Department shall manually override the ballot.

Limitations

We generally refrain from voting proxies in the following circumstances:

- a. Client maintains proxy voting authority or has delegated the right to vote proxies to a third-party other than the Firm;
- b. Client terminated our agreement;
- c. Instances where the cost of casting a vote would not

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reasonably be expected to have a material effect on the value of the client's investment;

d. Securities are out on loan and transferred into the borrower's name unless the proposal is materially, financially important to the client's account, in which case we recall the securities for voting; and

e. Costs in voting proxies exceeds any anticipated benefits to the client such as instances where fees include costs of traveling to a remote location, high translation costs, or paying a high fee.

Records and Disclosure

As required under Rule 204-2 of the Investment Advisers Act of 1940, KAR shall maintain the following proxy records:

- A copy of these policies and procedures;
- A copy of each proxy statement the firm receives regarding clients' securities;
- A record of each vote cast by the Firm on behalf of a client;
- A copy of any document created by KAR that was material to making a decision on how to vote proxies on behalf of a client; and
- A copy of each written client request for information on how KAR voted proxies on behalf of the client, and a copy of any written response by KAR to any client request for information on how the Firm voted proxies on behalf of the requesting client.

The proxy voting records described in this section shall be maintained and preserved in an easily accessible place for a period of not less than five years. The Firm may rely on one or more third parties to make and retain the records referred to in the items herein.

As disclosed in Form ADV, Part 2A, a copy of these policies and procedures shall be provided to clients upon request. In addition, if a client inquires about how a particular proxy proposal was voted, such information shall be provided to the client in a timely manner.