

**Cargile Investment Management, Inc.**

**PROXY VOTING POLICY AND PROCEDURES**

Rule 206(4)-6 and rule amendments under the Advisers Act addresses an investment advisor's fiduciary obligation to its Clients when the adviser has authority to vote their proxies.

**Statement of Policy**

Cargile Investment Management, Inc. (Cargile) as a matter of policy and practice has no authority to vote proxies on behalf of its advisory Clients, except mutual funds in which Cargile serves as investment advisor. Cargile may offer assistance as to proxy matters upon a Client's request, but the Client always retains the proxy voting responsibility. (The policy with respect to voting proxies for its mutual fund Clients is described below.)

Cargile discloses its proxy voting policy in its Disclosure Document/s. Moreover, Cargile's advisory agreements provide that it has no proxy voting responsibilities and that the advisory Clients expressly retain such voting authority. Cargile's new Client information materials may also indicate that the advisory Clients retain proxy voting authority.

Clients may obtain a copy of Cargile's proxy voting policies and procedures upon their request.

**Mutual Fund Clients**

Cargile will generally vote proxies for mutual funds in which Cargile serves as the investment advisor unless required by applicable legal, regulatory or contractual requirements to pass such vote to the fund shareholders.

Cargile will generally vote proxies in accordance with management recommendations as described below. Cargile reserves the right to deviate from the general provisions contained within any part of this policy, and to vote against any issue regardless of the nature of the issue, if by doing so we protect the fund shareholders' interest and value. In the event of such deviation, documentation regarding such vote will be maintained in Cargile's books and records.

➤ **Routine Matters**

On routine matters, Cargile will support management and vote in accordance with the following:

- In analyzing directors and boards, the policy we follow generally supports the election of incumbent and newly appointed directors except when a majority of the company's directors are not independent or where a director fails to attend at least 75% of board and committee meetings. In a contested election we will vote in accordance with what we feel is in the best interests of shareholders.
- Our policy will support auditor ratification;
- We generally support management proposals on executive compensation including equity compensation plans, allowing management and board discretion to design and implement effective compensation programs. However, recognizing that at some point the dilutive effect of equity compensation plans can negatively affect overall shareholder returns, the guidelines will vote against plans that would result in total overhang greater than 25%. Similarly, our

guidelines will support management advisory votes on compensation and will vote in favor of executive compensation arrangements in connection with merger transactions with the belief that an independent compensation committee is in the best position to design an appropriate compensation program for the company. Further, we follow management's recommendation for proposals on the frequency of such advisory votes;

- We recognize that having sufficient available authorized common and preferred shares allows companies flexibility to take advantage of rapidly developing opportunities as well as to effectively operate the business. Therefore, we will support proposals to increase both common and preferred shares;
- We will generally support proposals relating to treatment of shareholders and changes to corporate structure except for management proposals to classify the board of directors which we will vote against to preserve director accountability;
- We will undertake a thorough examination of the economic implications of a proposed merger or acquisition to determine the transaction's likelihood of maximizing shareholder return. We will examine the process used to negotiate the transaction as well as the terms of the transaction in making the vote recommendation. We will vote in accordance with our belief in what is in the best interests of shareholders on mergers, acquisitions, and other financing transactions; and
- We will vote against shareholder proposals not supported by management, thereby allowing management and the board discretion to address issues generally raised by shareholder proponents, including those relating to governance, compensation, environmental, and social issues.

#### ➤ **Voting Procedures**

Proxy statements are to be reviewed and voted by the mutual fund's portfolio manager/s or another designated person. A record will be made and maintained of all votes. Cargile reserves the right to vote contrary to its stated policy if it believes in its sole opinion that to do so would be in the best interests of its Clients and fund shareholders.

Cargile may abstain from voting a proxy if it concludes that the effect on the Fund shareholders' economic interests or the value of the portfolio holding is indeterminable or insignificant. Cargile may also abstain from voting if it concludes the cost of voting is disproportionate to the economic impact the vote would have on the portfolio holdings. A record of reasons for any such abstention by Cargile will be maintained.

#### ➤ **Conflicts of Interest**

Any conflict of interest will be resolved in the best interests of the mutual fund's shareholders. In the event that a material conflict of interest is identified or believed to exist, Cargile will review such conflict with its Chief Compliance Officer and the mutual fund's proxy voting policies and procedures.

Cargile shall also maintain record of any conflicts of interest that were identified with any specific vote, and if so, what action was taken to resolve the conflict with respect to each vote cast.

#### ➤ **Proxy Vote Record Retention**

Cargile shall maintain records of proxies voted in accordance with Section 204-2 of the Act, including proxy statements, and a record of each vote cast. Cargile shall also keep a copy of its policies and procedures and each written request from a Client for proxy voting records and Cargile's written response to any

Client request, either written or oral, for such records. All proxy voting records are to be retained for five years, with the first two years in the offices of Cargile.

➤ **Form N-PX Filing**

Cargile shall be responsible for ensuring that it maintains a complete proxy vote log and confirms the timely voting of proxies. The proxy vote log will be maintained in such a manner that the following information is contained within the log in accordance with the requirements of submitting Form N-PX for proxies voted on behalf of Cargile's mutual fund(s) Clients:

- the name of the issuer;
- the exchange ticker symbol, if available;
- the CUSIP number, if available;
- the shareholder meeting date;
- a brief identification of the matter voted on;
- whether the matter was proposed by the issuer or a security holder;
- whether Cargile cast its vote on the matter;
- how Cargile cast its vote on the matter (for, against, abstain, or withhold regarding the election of directors); and
- whether Cargile cast its vote for or against management.

Cargile shall provide the information necessary to complete the Form N-PX to the appropriate fund service provider/administrator who will timely submit the filings, generally prior to August 31 for the 12-month period ended June 30 each year.

Adopted: July 2, 2018