

HORIZON ADVISERS PROXY VOTING POLICY

Proxy Voting Policies

I. The Board of Directors

A. Voting on Director Nominees in Uncontested Elections

Votes on director nominees are made on a **case-by-case** basis, examining the following factors:

- long-term corporate performance record relative to a market index;
- composition of board and key board committees;
- nominee's attendance at meetings (past two years);
- nominee's investment in the company;
- whether a retired CEO sits on the board; and
- whether the chairman is also serving as CEO.

In cases of significant votes and when information is readily available, we also review:

- corporate governance provisions and takeover activity;
- board decisions regarding executive pay;
- director compensation;
- number of other board seats by nominee; and
- interlocking directorships.

B. Chairman and CEO is the Same Person

We vote on a **case-by-case** basis on shareholder proposals that would require the positions of chairman and CEO to be held by different persons.

C. Majority of Independent Directors

Shareholder proposals that request that the board be comprised of a majority of independent directors are evaluated on a **case-by-case** basis.

We vote **for** shareholder proposals that request that the board audit, compensation and/or nominating committees include independent directors exclusively.

D. Stock Ownership Requirements

We vote **against** shareholder proposals requiring directors to own a minimum amount of company stock in order to qualify as a director, or to remain on the board.

E. Term of Office

We vote **against** shareholder proposals to limit the tenure of outside directors.

F. Director and Officer Indemnification and Liability Protection

Proposals concerning director and officer indemnification and liability protection are evaluated on a **case-by-case** basis.

We vote **against** proposals to limit or eliminate entirely director and officer liability for monetary damages for violating the duty of care.

We vote **against** indemnification proposals that would expand coverage beyond just legal expenses to acts, such as negligence, that are more serious violations of fiduciary obligations than mere carelessness.

We vote **for** only those proposals that provide such expanded coverage in cases when a director's or officer's legal defense was unsuccessful if: (1) the director was found to have acted in good faith and in a manner that he reasonably believed was in the best interests of the company; *and* (2) only if the director's legal expenses would be covered.

G. Charitable Contributions

We vote **against** shareholder proposals to eliminate, direct or otherwise restrict charitable contributions.

II. Proxy Contests

A. Voting for Director Nominees in Contest Elections

Votes in a contested election of directors are evaluated on a **case-by-case** basis, considering the following factors:

- long-term financial performance of the target company relative to its industry;
- management's track record;
- background to the proxy contest;
- qualifications of director nominees (both slates);
- evaluation of what each side is offering shareholders as well as the likelihood that the proposed objectives and goals can be met; and
- stock ownership positions.

B. Reimburse Proxy Solicitation Expenses

Decisions to provide full reimbursement for dissidents waging a proxy contest are made on a **case-by-case** basis.

III. Auditors

Ratifying Auditors

We vote **for** proposals to ratify auditors, unless: an auditor has a financial interest in or association with the company, and is therefore not independent; or there is reason to believe that the independent auditor has rendered an opinion that is neither accurate nor indicative of the company's financial position.

IV. Proxy Contest Defenses

A. Board Structure: Staggered vs. Annual Elections

We vote **against** proposals to classify the board.

We vote **for** proposals to repeal classified boards and to elect all directors annually.

B. Shareholder Ability to Remove Directors

We vote **against** proposals that provide that directors may be removed *only* for cause.

We vote **for** proposals to restore shareholder ability to remove directors with or without cause.

We vote **against** proposals that provide that only continuing directors may elect replacements to fill board vacancies.

We vote **for** proposals that permit shareholders to elect directors to fill board vacancies.

C. Cumulative Voting

We vote **against** proposals to eliminate cumulative voting.

We vote **for** proposals to permit cumulative voting.

D. Shareholder Ability to Call Special Meetings

We vote **against** proposals to restrict or prohibit shareholder ability to call special meetings.

We vote **for** proposals that remove restrictions on the right of shareholders to act independently of management.

E. Shareholder Ability to Act by Written Consent

We vote **against** proposals to restrict or prohibit shareholder to take action by written consent.

We vote **for** proposals to allow or make easier shareholder action by written consent.

F. Shareholder Ability to Alter the Size of the Board

We vote **for** proposals that seek to fix the size of the board.

We vote **against** proposals that give management the ability to alter the size of the board without shareholder approval.

V. Tender Offer Defenses

A. Poison Pills

We vote **for** shareholder proposals that ask a company to submit its poison pill for shareholder ratification.

We review on a **case-by-case** basis shareholder proposal to redeem a company's poison pill.

We review on a **case-by-case** basis management proposals to ratify a poison pill.

B. Fair Price Provisions

We vote **for** fair price proposals, as long as the shareholder vote requirement embedded in the provision is no more than a majority of disinterested shares.

We vote **for** shareholder proposals to lower the shareholder vote requirement in existing fair price provisions.

C. Greenmail

We vote **for** proposals to adopt anti-greenmail charter or bylaw amendments or otherwise restrict a company's ability to make greenmail payments.

We review on a **case-by-case** basis anti-greenmail proposals when they are bundled with other charter or bylaw amendments.

D. Pale Greenmail

We review on a **case-by-case** basis restructuring plans that involve the payment of pale greenmail.

E. Unequal Voting Rights

We vote **against** dual class exchange offers.

We vote **against** dual class recapitalizations.

F. Supermajority Shareholder Vote Requirement to Amend the Charter or Bylaws

We vote **against** management proposals to require a supermajority shareholder vote to approve charter and bylaw amendments.

We vote **for** shareholder proposals to lower supermajority shareholder vote requirements for charter and bylaw amendments.

G. Supermajority Shareholder Vote Requirement to Approve Mergers

We vote **against** management proposals to require a supermajority shareholder vote to approve mergers and other significant business combinations.

We vote **for** shareholder proposals to lower supermajority shareholder vote requirements for mergers and other significant business combinations.

H. White Squire Placements

We vote **for** shareholder proposals to require approval of blank check preferred stock issues for other than general corporate purposes.

VI. Miscellaneous Governance Provisions

A. Confidential Voting

We vote **for** shareholder proposals that request corporations to adopt confidential voting, use independent tabulators and use independent inspectors of election as long as the proposals include clauses for proxy contests as follow: In the case of a contested election, management is permitted to request that the dissident group honor its confidential voting policy. If the dissidents agree, the policy remains in place. If the dissidents do not agree, the confidential voting policy is waived.

We vote **for** management proposals to adopt confidential voting.

B. Equal Access

We vote **for** shareholder proposals that would allow significant company shareholders equal access to management's proxy material in order to evaluate and propose voting recommendations on proxy proposals and director nominees, and in order to nominate their own candidates to the board.

C. Bundled Proposals

We review on a **case-by-case** basis bundled or "conditioned" proxy proposals. In the case of items that are conditioned upon each other, we examine the benefits and costs of the package items. In instances when the joint effect of the conditioned items is not in shareholder's best interests, we vote against the proposals. If the combined effect is positive, we support such proposals.

D. Shareholder Advisory Committees

We review on a **case-by-case** basis proposals to establish a shareholder advisory committee.

VII. Capital Structure

A. Common Stock Authorization

We review on a **case-by-case** basis proposals to increase the number of shares of common stock authorized for issue.

We use quantitative criteria that measures the number of shares available for issuance after analyzing the company's industry and performance. Our first step is to determine the number of shares available for issuance (shares not outstanding and not reserved for issuance) as a percentage of the total number of authorized shares after accounting for the requested increase. Shares reserved for legitimate business purposes, such as stock splits or mergers, are subtracted from the pool of shares available. We then compare this percentage to an allowable cap developed for the company's peer group to determine if the requested increase is reasonable. Each peer group is broken down into four quartiles, and within each quartile an "allowable increase" for company is set. The top quartile performers will have the largest allowable increase.

If the requested increase is greater than the "allowable increase", we will vote **against** the proposal.

B. Reverse Stock Splits

We will review management proposals to implement a reverse stock split on a **case-by-case** basis. We will generally support a reverse stock split if management provides a reasonable justification for the split.

C. Blank Check Preferred Authorization

We vote **for** proposals to create blank check preferred stock in cases when the company expressly states that the stock will not be used as a takeover defense or carry superior voting rights.

We review on a **case-by-case** basis proposals that would authorize the creation of new classes of preferred stock with unspecified voting, conversion, dividend and distribution, and other rights.

We review on a **case-by-case** basis proposals to increase the number of authorized blank check preferred shares. If the company does not have any preferred shares outstanding, we will vote against the requested increase. If the company does have preferred shares outstanding, we will use the criteria set forth in Section VII A.

D. Shareholder Proposals Regarding Blank Check Preferred Stock

We vote **for** shareholder proposals to have blank check preferred stock placements, other than those shares issued for the purpose of raising capital or making acquisitions in the normal course of business, submitted for shareholder ratification.

E. Adjust Par Value of Common Stock

We vote **for** management proposals to reduce the par value of common stock.

F. Preemptive Rights

We review on a **case-by-case** basis proposals to create or abolish preemptive rights. In evaluating proposals on preemptive rights, we look at the size of a company and the characteristics of its shareholder base.

G. Debt Restructuring

We review on a **case-by-case** basis proposals to increase common and/or preferred shares and to issue shares as part of a debt restructuring plan. We consider the following issues:

- *Dilution* – How much will ownership interests of existing shareholders be reduced, and how extreme will dilution to any further earnings be?
- *Change in Control* – Will the transaction result in a change in control of the company?
- *Bankruptcy* – Is the threat of bankruptcy, which would result in severe losses in shareholder value, the main factor driving the debt restructuring?

Generally, we approve proposals that facilitate debt restructuring unless there are clear signs of self-dealing or other abuses.

H. Share Repurchase Programs

We vote **for** management proposals to institute open-market share repurchase plans in which all shareholders may participate on equal terms.

VIII. Executive and Director Compensation

In general, we vote on a **case-by-case** basis on executive and director compensation plans, with the view that viable compensation programs reward the creation of stockholder wealth by having a high payout sensitivity to increases in shareholder value.

In evaluating a pay plan, we measure its dilutive effect both on shareholder wealth and on voting power. We value equity-based compensation along with the cash components of pay. We estimate the present value of all short- and long-term incentives, derivative awards, and cash/bonus compensation – which enables us to assign a dollar value to the amount of potential shareholder wealth transfer.

Our vote is based, in part, on a comparison of company-specific adjusted allowable dilution cap and a weighted average estimate of shareholder wealth transfer and voting power dilution. Administrative features are also factored into our vote. For example, our policy is that the plan should be administered by a committee of disinterested persons; insiders should not serve on compensation committees.

Other factors, such as repricing underwater stock options without shareholder approval, would cause us to vote against a plan. Additionally, in some cases we would vote against a plan deemed unnecessary.

A. OBRA-Related Compensation Proposals

- Amendments that Place a Cap on Annual Grant or Amend Administrative Features

Vote **for** plans that simply amend shareholder-approved plans to include administrative features or place a cap on the annual grants any one participant may receive to comply with the provisions of Section 162(m) of OBRA.

- Amendments to Added Performance-Based Goals

Vote **for** amendments to add performance goals to existing compensation plans to comply with the provisions of Section 162(m) of OBRA.

- Amendments to Increase Shares and Retain Tax Deductions Under OBRA

Votes on amendments to existing plans to increase shares reserved and to qualify the plan for favorable tax treatment under the provisions of Section 162(m) should be evaluated on a **case-by-case** basis.

- Approval of Cash or Cash-and-Stock Bonus Plans

Vote **for** cash or cash-and-stock bonus plans to exempt the compensation from taxes under the provisions of Section 162(m) of OBRA.

B. Shareholder Proposals to Limit Executive and Directors Pay

We review on a **case-by-case** basis all shareholder proposals that seek additional disclosure of executive and director pay information.

We review on a **case-by-case** basis all other shareholder proposals that seek to limit executive and director pay.

C. Golden and Tin Parachutes

We vote **for** shareholder proposals to have golden and tin parachutes submitted for shareholder ratification.

We review on a **case-by-case** basis all proposals to ratify or cancel golden or tin parachutes.

D. Employee Stock Ownership Plans (ESOPs)

We vote **for** proposals that request shareholder approval in order to implement an ESOP or to increase authorized shares for existing ESOPs, except in cases when the number of shares allocated to the ESOP is “excessive” (i.e., generally greater than five percent of outstanding shares).

E. 401(k) Employee Benefit Plans

We vote **for** proposals to implement a 401(k) savings plan for employees.

IX. State of Incorporation

A. Voting on State Takeover Statutes

We review on a **case-by-case** basis proposals to opt in or out of state takeover statutes (including control share acquisition statutes, control share cash-out statutes, freeze-out provisions, fair price provisions, stakeholder laws, poison pill endorsements, severance pay and labor contract provisions, anti-greenmail provisions and disgorgement provisions).

B. Voting on Reincorporation Proposals

Proposals to change a company's state of incorporation are examined on a **case-by-case** basis.

X. Mergers and Corporate Restructurings

A. Mergers and Acquisitions

Votes on mergers and acquisitions are considered on a **case-by-case** basis, taking into account at least the following:

- anticipated financial and operating benefits;
- offer price (cost vs. premium);
- prospects of the combined companies;
- how the deal was negotiated; and
- changes in corporate governance and their impact on shareholder rights.

B. Corporate Restructuring

Votes on corporate restructuring proposals, including minority squeezeouts, leveraged buyout, spin-offs, liquidations and asset sales are considered on a **case-by-case** basis.

C. Spin-offs

Votes on spin-offs are considered on a **case-by-case** basis depending on the tax and regulatory advantages, planned use of sale proceeds, market focus and managerial incentives.

D. Asset Sales

Votes on asset sales are made on a **case-by-case** basis after considering the impact on the balance sheet/working capital, value received for the asset, and potential elimination of diseconomies.

E. Liquidations

Votes on liquidations are made on a **case-by-case** basis after reviewing management's efforts to pursue other alternatives, appraisal value of assets, and the compensation plan for executives managing the liquidation.

F. Appraisal Rights

We vote **for** proposals to restore, or provide shareholders with, rights of appraisal.

G. Changing Corporate Name

We vote **for** changing the corporate name.

XI. Mutual Fund Proxies

A. Election of Trustees

We vote on trustee nominations on a **case-by-case** basis.

B. Investment Advisory Agreement

We vote on investment advisory agreements on a **case-by-case** basis.

C. Fundamental Investment Restrictions

We vote on amendments to a fund's fundamental investment restrictions on a **case-by-case** basis.

D. Distribution Agreements

We vote on distribution agreements on a **case-by-case** basis.

XII. Social and Environmental Issues

In general, we **abstain** from voting on shareholder social and environmental proposals, on the basis that their impact on share value can rarely be anticipated with any high degree of confidence.

In most cases, however, we vote **for** disclosure reports that seek additional information that is not available elsewhere and that is not proprietary, particularly when it appears that companies have not adequately addressed shareholder's social and environmental concerns.

In determining our vote on shareholder social and environmental proposals, we also analyze the following factors:

- whether adoption of the proposal would have either a positive or negative impact on the company's short-term or long-term share value;
- the percentage of sales, assets and earnings affected;

- the degree to which the company's stated position on the issues could affect its reputation or sales, or leave it vulnerable to boycott or selective purchasing;
- whether the issues presented should be dealt with through government or company-specific action;
- whether the company has already responded in some appropriate manner to the request embodied in the proposal;
- whether the company's analysis and voting recommendation to shareholders is persuasive;
- what other companies have done in response to the issue;
- whether the proposal itself is well framed and reasonable;
- whether implementation of the proposal would achieve the objectives sought in the proposal; and
- whether the subject of the proposal is best left to the discretion of the board.

Among the social and environmental issues to which we apply this analysis are the following:

- Energy and Environment
- South Africa
- Northern Ireland
- Military Business
- Maquiladora Standards and International Operations Policies
- World Debt Crisis
- Equal Employment Opportunity and Discrimination
- Animal Rights
- Product Integrity and Marketing
- Human Resources Issues

Conflicts of Interest

Voting by Adviser

The following procedures prescribe a three-step process for the Proxy Committee (or its equivalent) to use when an adviser, either directly or through an affiliate, may have a conflict of interest when voting proxies. The first step is to identify those issuers with which the adviser or its affiliates (collectively, the “adviser”) has a significant business or personal/family relationship that could give rise to a conflict of interest. The second step is to identify those proxy proposals where the adviser’s conflict of interest may be material. The third step is to determine how to vote proxies involving a material conflict of interest. These procedures are designed to ensure that all proxies are voted in the best interests of clients and not the product of the conflict.

(a) Identifying Those Issuers with which the Adviser May Have a Conflict of Interest

The Proxy Committee will use the following four steps to identify issuers with which it may have a conflict of interest. The Proxy Committee will maintain a list of such issuers.

1. Significant Business Relationships – The Committee will maintain a list of issuers with which the adviser may have a significant business relationship such as, for example, where the fund’s adviser also manages a pension plan, administer employee benefit plans, or provide brokerage, underwriting, insurance, or banking services to an issuer whose securities are held by the fund and whose management is soliciting proxies. For this purpose, a “significant business relationship” is any business relationship with a publicly traded company where loans, deposits, or assets under administration exceed \$25 million or annual fees received from a client are in excess of \$250,000; and (2) may not directly involve revenue to the adviser or its affiliates but is otherwise determined by the Committee to be significant to the adviser or its affiliates where a key client also has a relationship with a publicly traded corporation where Hancock Bank’s relationship with that client may be adversely affected if we do not vote in accordance with his/her wishes on a particular proxy proposal. For example, Hancock Bank has a substantial lending relationship with ABC Company where Mr. Joe Smith is the owner. Mr. Smith is also a director for XYZ, Inc., a publicly traded corporation. Mr. Smith knows XYZ, Inc. is a holding of Hancock Horizon Burkenroad Fund and he strongly urges Hancock Bank to vote for the executive compensation package which is currently proposed by management

2. Significant Personal/Family Relationships – The Committee will identify issuers with which its employees who are involved in the proxy voting process may have a significant personal/family relationship. For this purpose, a “significant personal/family relationship” is one that would be reasonably likely to influence how the adviser votes proxies. To identify any such relationships, the Committee shall obtain information on a regular basis about any significant personal/family relationship between any employee of the adviser who is involved in the proxy voting process (e.g., portfolio managers, members of the Committee, senior management, as applicable) and senior employees of issuers for which the adviser may vote proxies.

3. Contact with Proxy Committee Members – The Proxy Committee should ensure that the adviser and its affiliates adopt procedures reasonably designed to prevent employees who are not involved in the proxy voting process from attempting to influence how the adviser votes any proxy. At a minimum, these procedures should provide that, if a person employed by the adviser not involved in the proxy voting process contacts any Committee member for the purpose of influencing how a proxy is voted, the member will immediately contact the Trust Department Compliance Officer who will determine: (1) whether the adviser should now treat the proxy in question as one involving a material conflict of interest; and (2) if so, whether the member of the Committee who was contacted should reclude himself/herself from all further matters regarding the proxy.

4. Duties of the Proxy Committee - The Committee has a duty to make reasonable investigation of information relating to conflicts of interest. For purposes of identifying conflicts under this policy, the Proxy Committee shall rely on publicly available information about the adviser and its affiliates, information about the adviser and its affiliates that is generally known by employees of the adviser,¹ and other information actually known by a member of the Committee. Absent actual knowledge, the Committee is not required to investigate possible conflicts involving the adviser where the information is (i) non-public, (ii) subject to information blocking procedures, or (iii) otherwise not readily available to the Committee.

In connection with the consideration of any proxy voting matters under this policy, each member of the Proxy Committee has a duty to disclose to the Committee any material conflicts of interest of which the member has actual knowledge but which have not been identified by the Committee pursuant to this policy.

(b) Identifying those Proxy Proposals Where the Adviser’s Conflict is Material

If the adviser receives a proxy relating to an issuer with which it has a conflict of interest (as determined in (a) above), the Proxy Committee shall determine whether the conflict is “material” to any specific proposal included within the proxy. If not, then the adviser can vote the proxy in accordance with its proxy voting procedures; if so, the adviser may vote on any such proposal only in accordance with (c) below.² The Committee shall determine whether a proposal is material as follows:

1. Routine Proxy Proposals – Proxy proposals that are “routine” shall be presumed not to involve a material conflict of interest for the adviser, unless the Committee has actual knowledge that a routine proposal should be treated as material. For this purpose, “routine” proposals would typically include matters such as the selection of an accountant, uncontested election of directors, meeting formalities, and approval of an annual report/financial statements. The Committee shall adopt procedures specifically

¹ The procedures provide that the Committee should be aware of information about the adviser or its affiliates that is generally known by employees of the adviser, but it does not extend this knowledge to information about the adviser’s affiliates that is generally known by employees of the adviser’s affiliates (unless, of course, such information also is generally known by the adviser’s employees).

² Alternatively, an adviser may determine that, if it has a conflict with respect to any specific proposal in a proxy, it will vote all proposals in that proxy in accordance with one of the procedures set forth in (c) below.

designed for the adviser's circumstances that identify those proposals that the adviser will consider to be "routine" for purposes of this policy.³

2. Non-Routine Proxy Proposals – Proxy proposals that are "non-routine" shall be presumed to involve a material conflict of interest for the adviser, unless the Committee determines that the adviser's conflict is unrelated to the proposal in question (see 3. below). For this purpose, "non-routine" proposals would typically include any contested matter, including a contested election of directors, a merger or sale of substantial assets, a change in the articles of incorporation that materially affects the rights of shareholders, and compensation matters for management (e.g., stock option plans, retirement plans, profit sharing or other special remuneration plans). The Committee shall adopt procedures specifically designed for the adviser's circumstances that identify those proposals that the adviser will consider to be "non-routine" for purposes of this policy.⁴

3. Determining that a Non-Routine Proposal is Not Material – As discussed above, although non-routine proposals are presumed to involve a material conflict of interest, the Committee may determine on a case-by-case basis that particular non-routine proposals do not involve a material conflict of interest. To make this determination, the Committee must conclude that a proposal is not directly related to the adviser's conflict with the issuer. The Committee shall record in writing the basis for any such determination.

(c) Determining How to Vote Proxies Involving a Material Conflict of Interest

For any proposal where the Proxy Committee determines that the adviser has a material conflict of interest, the adviser will vote that proxy regarding the proposal by using an independent third party (such as a proxy voting service) to vote the specific proposal that involves a conflict.