

Proxy Voting Policies and Procedures

The proxy voting policies and procedures of Bishop Street Capital Management (“BSCM”) and sub-adviser BNP Paribas Asset Management, Inc. (“BNP PAM”) are summarized below:

BISHOP STREET CAPITAL MANAGEMENT

STATEMENT OF POLICY

Bishop Street Capital Management as a matter of policy and as a fiduciary to our institutional, investment company and individual clients, has the responsibility for voting proxies for portfolio securities consistent with the best interests of our clients unless any client explicitly retains responsibility for proxy voting. Our firm maintains written policies and procedures for the handling, research, voting and reporting of proxy voting and makes appropriate disclosures about our firm’s proxy policies and practices.

For those clients who have retained proxy voting responsibility, BSCM has no authority and will not vote any proxies for those client portfolios.

BSCM has designated the Compliance & Information Director who is responsible for establishing, implementing and monitoring our proxy policy and practices.

Our policy and practice includes the responsibility to monitor corporate actions, receive and vote client proxies and disclose any potential conflicts of interest as well as making information available to clients about the voting of proxies for their portfolio securities and maintaining relevant and required records.

RESPONSIBILITY

The BSCM Compliance & Information Director has overall responsibility for the implementation and monitoring of our proxy voting policy, practices, disclosures and recordkeeping.

PROCEDURES

BSCM has adopted various procedures and reviews to implement the firm’s policy and to monitor and insure the firm’s policy is observed, implemented properly and amended or updated as appropriate, which include the following:

Account setup

At the opening of each account, the persons responsible for account setup will provide the client with appropriate paperwork to instruct the client’s custodian to forward proxies

to BSCM. At the same time, proxy voting authority, any client proxy policies or guidelines regarding proxy voting will be recorded.

BSCM investment management agreements

BSCM investment management agreements specify who has proxy voting responsibility. The BSCM investment management agreement for institutional clients provides that BSCM has proxy voting authority. BSCM investment management agreements for individual clients provides the option for either BSCM or the client to have proxy voting responsibility. The designation of the person, i.e., BSCM, the client or other entity, who has responsibility for proxy voting is recorded in the account set up process.

Proxy monitoring, reporting and records

All proxy materials will be forwarded to the designated Administrative Assistant. This person's responsibilities will include:

- Review of proxies received against securities held and attempt to obtain any missing proxy materials/ballots prior to the voting deadline.
- Voting the proxies according to the research service provider's recommendation.
- Transmitting the voted proxies to the issuer.
- Recording how each proxy was voted for each client.
- Maintaining appropriate proxy voting records by issuer and for clients
- Prepare and provide proxy voting reports to clients upon client request.

Research

BSCM has retained the services of Institutional Shareholder Services ("ISS"), a nationally recognized and independent proxy service, to provide research and voting recommendations for all proxy issues based on its research. ISS has no authority or responsibility for voting BSCM client proxies.

Proxy Voting

The Administrative Assistant will receive each issuer's proxy materials, statements, ballots, etc., and forward them to the appropriate analyst/portfolio manager for review. It is the policy to vote in accordance with ISS' guidelines unless in doing so would not be in the clients' best interest. In such instances, each issue would be evaluated for any conflicts of interest as noted below.

Conflicts of Interest

Where the analyst/portfolio manager feels that ISS' recommendation would not be in the best interest of our clients, the Chief Investment Officer or an appropriate designate, will evaluate the docket of those proxies and determine if a material conflict of interest is present for any of the proxies.

In determining whether a material conflict of interest is present and material, some of the general factors which BSCM will consider, but not limited to, are: business relationships, personal relationships, familial relationships and fund relationships. Where BSCM or an affiliate has a substantial business relationship with the company, the materiality of the business relationship will generally be viewed as follows. It is presumed to be non-material if the conflict involved is less than 1% of BSCM's annual revenues. In cases where it is in excess of 1% of BSCM's annual revenues, it will be evaluated on a case by case basis to determine the materiality of the conflict. Where BSCM or an affiliate has personal or familial relationships causing a material conflicts of interest, the voting procedure described below would take effect. To determine whether a personal or familial relationship exists which may create material conflicts of interest, BSCM Access Personnel will annually certify whether they, or an immediate family member, serves as a director of a public company or at the executive management level of a public company as well as identify the public company to which they are serving.

In the event of any actual or potential conflicts of interest that arise in the exercise of BSCM's proxy voting responsibilities, any such conflict will result in BSCM's Proxy Committee evaluating the issue and casting a vote on the issue unless a member is the source of the conflict. If the Proxy Committee unanimously agrees upon the issue, it shall be voted as unanimously agreed upon. In the event whereby there is not a unanimous agreement of the Proxy Committee or the conflict of interest cannot be resolved within the Proxy Committee, BSCM will employ an independent fiduciary to vote these proxies.

Where BSCM advisory clients hold shares of Bishop Street Funds, the policy is to mirror vote the fund proxies.

Proxy Committee

The Proxy Committee shall consist of the following members: the Chief Investment Officer, Director of Equities and the Compliance & Information Director.

Disclosure

BSCM discloses a summary of our proxy voting policy and practices in Form ADV Part II which is updated as appropriate.

Annual Review of Proxy Policy

The Compliance & Information Director will review BSCM's Proxy Policy on an annual basis and amend, or supplement, as may be necessary, so as to remain current and appropriate for BSCM's proxy practices, acting in the clients' best interests and meeting applicable regulatory requirements.

RECORDKEEPING

The Compliance & Information Officer has overall responsibility for maintaining files and records regarding BSCM's proxy policies and practices in an appropriate manner and for the required period, i.e., two years on-site in BSCM's offices and an additional three years off-site in secure and accessible facilities. The firm's recordkeeping procedures include the following:

- BSCM maintains relevant records, in paper or electronic format, i.e., internally and externally, EDGAR and ISS, including proxy statements, related research materials, proxy ballots and votes, on an issuer and client basis.
- BSCM also maintains an annual file of records of any written client requests for proxy voting information for their portfolio securities and provides information to clients as requested.
- BSCM also maintains and files the Form N-PX for investment companies that it acts as investment adviser to and has not assigned the voting responsibilities to a sub-adviser.

BNP PARIBAS ASSET MANAGEMENT

Exercise of voting rights is an integral part of our asset management process and a central means of holding directors accountable for the stewardship of companies in which BNP PAM has invested on behalf of its clients. BNP PAM is committed to ensure consistent exercise of voting rights across all mutual funds and institutional mandates where proxy voting has been delegated to us. BNP PAM operates at arms length from the rest of the BNP Paribas Group and exercises all votes independently.

Through implementation of our Voting Policy, we aim to foster best practice in corporate governance and ethical business conduct while supporting company decisions leading to long-term value creation for shareholders and economic development¹.

Corporate governance practices which BNP PAM supports include:

- full disclosure of company affairs in reports and accounts,
- competence and independence of board members and committees,
- transparency of remuneration schemes, appointment and nomination processes,
- professional conduct and independence of auditors,
- adequate justification of share issues and repurchases and major corporate actions
- sustainability of dividend policies,
- changes to company statutes that have a positive impact on shareholder rights, and
- resolutions consistent with the "one share – one vote – one dividend" principle .

Our policy is supported by detailed guidelines that address key voting issues relating to: approval of report and accounts, appointments and remuneration of board members and auditors, financial operations and changes to company statutes. For each voting issue, the guidelines highlight resolutions that (i) reflect or tend toward best practice and that we will support, (ii) may raise concerns and on which we will abstain and (iii) go against shareholder interests and that we will oppose.

While our policy and guidelines reflect international best practice in the field of corporate governance and are subject to annual review in light of experience gained², they cannot cover all potential voting issues. Therefore, in applying its voting guidelines, BNP PAM strives to act in the best interests of clients in the light of specific circumstances as they relate to the market and the company in order to protect and enhance the long-term value of their shareholdings.

Conflicts of interest in the exercise of voting rights may arise due to individual or organisational circumstances surrounding the decision-making process. Mechanisms in place for preventing conflicts of interest include the following:

- BNP PAM Voting Policy stresses that voting rights are exercised “in the best interest interests of clients in order to protect and enhance the long-term value of their shareholdings”
- detailed Voting Guidelines have been adopted by BNP PAM’s Board of Directors which are followed in the exercise of voting rights
- In the exercise of voting rights, BNP PAM utilises external advice taken from Proxinvest, Deminor and ISS.

In addition to these general provisions, the table below identifies additional mechanisms deployed for preventing specific types of conflicts of interest.

Circumstances Potentially Leading to a Conflict of Interest	Prevention Mechanisms
Employee connections with the company whose shares are being voted, or its directors.	<ul style="list-style-type: none"> • Personal Dealing Policy. • Requirement to disclose professional activities undertaken by staff outside their employment with BNP PAM, policy. • Policy governing receipt of gifts and personal favours.
Commercial relations between another part of the BNP Paribas Group and the company whose shares are being voted on.	<ul style="list-style-type: none"> • “Chinese walls” exist between BNP PAM and other parts of the Group thereby ensuring that BNP PAM staff remain independent and neutral in the performance of duties and responsibilities.
Exercise of voting rights in relation to the shares of BNP Paribas Group and strategic shareholdings of BNP PAM, which are held in the portfolios of BNP PAM clients.	<ul style="list-style-type: none"> • BNP PAM Voting Policy stresses its independence from BNP Paribas Group.

Any conflicts of interest that cannot be prevented must be resolved so that clients of BNP PAM are in no way disadvantaged. Sound judgement must be used to resolve each conflict of interest fairly, neutrally and impartially. Conflicts of interest are resolved through escalation up to BNP PAM senior management including:

- i. CIO
- ii. Head of Compliance
- iii. CEO
- iv. Chairman.

This voting policy applies to all entities within BNP PAM and its affiliates. External investment managers to which BNP PAM delegates portfolio management are expected to develop their own voting policy in line with market practice and to periodically report on its implementation.

¹Addition for SRI funds “environmental conservation and social cohesion

² Benchmarks such as the UK Combined Code were used to define best practice. Minimum acceptable standards for the 2003 voting season are based on AFG recommendations and will be reviewed based on the Bouton report whose recommendations will apply from 2004.