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PROXY VOTING POLICY

for:
H & A PRIME VALUES Income Fund
H & A PRIME VALUES Growth Fund

HAUCK & AUFHÄUSER
[Schweiz AG]

HAUCK & AUFHÄUSER (SCHWEIZ) AG

Sustainable and ethical investments are intrinsic to the strategic positioning and investment approach of Hauck & Aufhäuser (Schweiz) AG. We have been offering sustainability and ethical investment solutions since 1995.

Since summer 2019, we have introduced a proxy voting policy for the H & A PRIME VALUES Income and Growth Funds.

In order to implement the exercise of voting rights professionally and on a global basis, we have commissioned in cooperation with our custodian bank, the proxy advisory service, Glass, Lewis & Co. Glass Lewis is charged with executing on our behalf all administrative activities relating to the management and exercising of all voting rights of the fund's equity holdings in strict accordance with our understanding of sustainability.

Zurich, 2 July 2019

MANAGEMENT PROPOSALS

ELECTION OF DIRECTORS

In addition to the standard level of analysis conducted on directors and their performance, the ESG guidelines provide an additional level of review to determine if directors are providing adequate oversight of ESG issues including whether the company provides sufficient disclosure concerning ESG risks. Pursuant to this, the ESG guidelines evaluate directors' commitment to establishing broad sustainable business practices in evaluating shareholder proposals to report on and mitigate environmental, social and governance risks.

DIRECTOR OVERBOARDING

For U.S. companies, director board commitments will be monitored closely. Directors will be voted against if they are serving on more than five total boards, for directors who are not also executives; and against directors serving more than two total boards, for a director who serves as an executive of a public company.

BOARD DIVERSITY, TENURE AND REFRESHMENT

The ESG guidelines will evaluate a company's policies and actions with respect to board refreshment and diversity. As a part of this evaluation, we will review the diversity of board members and support proposals to report on or increase board diversity. The nominating and governance committee, act as an agent for the shareholders and are responsible for the governance by the board of the company and its executives. In performing this role, the committee is responsible and accountable for selection of objective and competent board members. To that end, the policy ensures that it will: (i) vote against members of the nominating committee in the event that the board has an average tenure of over ten years and the board has not appointed a new nominee to the board in at least five years; or (ii) vote against the male members of the nominating committee in instances where the board is comprised of fewer than 30% female directors for large-cap companies, or against the nominating committee when there is not at least one woman on the board at mid- and small-cap companies.

VIRTUAL-ONLY SHAREHOLDER MEETINGS

In recent years, an increasing number of companies have adopted virtual-only shareholder meetings, wherein shareholders are unable to speak face-to-face with a company's management. Although we support companies allowing a virtual option alongside participation in an in-person meeting, we view stripping shareholders' ability to attend a physical meeting as not conducive to productive discussions between companies and their investors. We believe that, without proper controls, conducting a virtual-only meeting of shareholders could eliminate or significantly limit a fundamental right of shareholders to confront and ask questions of management. As such, when companies have elected to hold a virtual-only shareholder meeting, the level of disclosure provided regarding virtual meeting procedures will be investigated. The ESG policy may vote against members of the nominating and governance committee if the company does not provide disclosure assuring that shareholders will be afforded the same rights and opportunities to participate as they would at an in-person meeting.

TAX HAVENS

It is prudent for management to assess its potential exposure to risks relating to a company's tax haven policies. More specifically, a company should consider its exposure to regulatory, legal and reputational risk due to its policies and practices regarding operations in tax havens. Accordingly, the ESG guidelines will support shareholder proposals requesting that companies report on the risks associated with their use of tax havens. In addition, the ESG policy will support proposals requesting that companies adopt policies to discontinue operations or withdraw from tax havens. Further, in instances where companies have proposed to redomicile in known tax havens, the ESG guidelines will vote against such a reincorporation.

RATIFICATION OF AUDITOR

The auditor's role as gatekeeper is crucial in ensuring the integrity and transparency of the financial information necessary for protecting shareholder value. Because of the importance of the role of the auditor, rotating auditors is an important safeguard against the relationship between the auditor and the company becoming too close, resulting in a lack of oversight due to complacency or conflicts of interest. Accordingly, in addition to our standard analysis on auditor ratification proposals, the ESG guidelines will vote against auditor ratification proposals in instances where it is clear that a company's auditor has not been changed for 20 or more years.

EXECUTIVE COMPENSATION

In designing appropriate executive compensation plans it is important that they truly reward pay for performance. Under the ESG guidelines, a further level of analysis is conducted by looking at compensation issues as they relate to environmental and social criteria as well as other issues relevant to good corporate governance practices. In its standard analysis, an exhaustive examination of the methods and levels of compensation paid to executives to determine if pay and performance are properly aligned is undertaken. However, the ESG guidelines support the inclusion of sustainability metrics in executive compensation plans. In instances where a company has received a Pay-for-Performance grade of “D” or “F” and the standard policy is to recommend in favour of the plan, the ESG guidelines will vote against say-on-pay proposals where sustainability is not an explicit consideration for companies when awarding executive compensation.

Beginning in 2018, U.S. companies are required to disclose the ratio between the compensation awarded to the median employee relative to that awarded to the CEO. Although the ESG guidelines will not currently incorporate this pay ratio in its voting policies, this will continue to be evaluated and this disclosure maybe incorporated in future compensation-related votes.

In general, under the ESG guidelines, director compensation will be evaluated on the same criteria as executive compensation but will favour the ability to approve director compensation separate and apart from executive compensation.

The ESG guidelines will follow the general recommendation when voting on executive compensation arrangements in connection with merger transactions (i.e., golden parachutes). Further, the ESG Guidelines will support annual advisory compensation votes.

MERGERS, ACQUISITIONS AND CONTESTED MEETINGS

The policy ensures a thorough examination of the implications of a proposed merger or acquisition to determine the transaction's likelihood of maximizing shareholder return. In making the voting recommendation, the process conducted will examine, the specific parties and individuals involved in negotiating an agreement, as well as the economic and governance terms of the proposal. In contested merger situations, or board proxy fights, the plan presented by the dissident party will be considered and how, if elected, it plans to enhance or protect shareholder value. The arguments presented by the board, including any plans for improving the performance of the company, will also be considered when making the ultimate recommendations.

The ESG guidelines will vote in accordance with the standard policy recommendations on contested meetings, mergers, acquisitions, and other financing transactions. In addition, the ESG guidelines will support shareholder proposals asking the company to consider the effects of the transaction on the company's stakeholders.

SHAREHOLDER PROPOSALS

COMPENSATION

The ESG guidelines recognize that ESG performance factors should be an important component of the overall consideration of proper levels of executive performance and compensation. Therefore, the ESG guidelines generally vote in favour of proposals seeking to tie executive compensation to performance measures such as compliance with environmental regulations, health and safety regulations, non-discrimination laws and compliance with international human rights standards. Furthermore, the ESG guidelines will generally support proposals that seek to evaluate overall director performance based on environmental and social criteria.

The ESG guidelines will support proposals seeking to prohibit or require more disclosure about stock hedging and pledging by executives. The ESG guidelines will also support proposals requesting that companies adopt executive stock retention policies and prohibiting the accelerated vesting of equity awards. Furthermore, the ESG guidelines will vote in favour of shareholder proposals to link pay with performance, to eliminate or require shareholder approval of golden coffins, and to clawback unearned bonuses. Furthermore, the ESG guidelines will support proposals requesting disclosure from companies regarding gender pay inequity and company initiatives to reduce the gap in compensation paid to women compared to men.

CORPORATE GOVERNANCE

Similar to the general guidelines, the ESG guidelines support increased shareholder participation and access to a company and its board of directors. Accordingly, the ESG guidelines will vote in favour of initiatives that seek to enhance shareholder rights, such as the introduction of majority voting to elect directors, the adoption and amendment of proxy access bylaws, the elimination/reduction of supermajority provisions, the declassification of the board, the submission of shareholder rights' plans to a shareholder vote, and the principle of one share, one vote. The ESG guidelines will also support proposals aimed at increasing the diversity of boards or management as well as those requesting additional information concerning workforce diversity and the adoption of more inclusive non-discrimination policies.

ENVIRONMENT

The ESG guidelines generally support proposals regarding the environment, in particular, those seeking improved sustainability reporting and disclosure about company practices which impact the environment. The ESG guidelines will vote in favour of increased disclosure of a company's environmental risk through company-specific disclosure as well as compliance with international environmental conventions and adherence to environmental principles. Similarly, the ESG guidelines support proposals requesting companies develop greenhouse gas emissions reduction goals, comprehensive recycling programs, and other proactive means to mitigate a company's environmental footprint.

The ESG guidelines will also vote for proposals seeking that companies provide certain disclosures or adopt certain policies related to mitigating their climate change-related risks. For example, regardless of industry, the ESG guidelines will support proposals requesting that companies disclose information concerning their scenario analyses or that request the company provide disclosure in line with certain reporting recommendations, such as those promulgated by the Financial Stability Board's Task Force on Climate- related Financial Disclosure ("TCFD"). Similarly, the ESG guidelines support proposals requesting that a company consider energy efficiency and renewable energy sources in its project development and overall business strategy.
With respect to issues related to bioengineering and nanotechnology, the ESG guidelines will carefully scrutinize any proposals requesting that a company adopt a policy concerning these matters. In general, the ESG guidelines support proposals that seek additional reporting on these topics, as well as the development of safety standards to regulate their use.
The ESG guidelines evaluate a company's impact on the environment, in addition to the regulatory risk a company may face by not adopting environmentally responsible policies. The

ESG guidelines will consider voting against certain directors for not exercising their fiduciary duty as it relates to environmental risk.

LABOR AND HUMAN RIGHTS

The ESG guidelines generally support enhancing the rights of workers, as well as considering the communities and broader constituents in the areas in which companies do business. Accordingly, the ESG guidelines will generally vote for proposals requesting that companies provide greater disclosure regarding impact on local stakeholders, workers' rights and human rights in general. In addition, the ESG guidelines support proposals for companies to adopt or comply with certain codes of conduct relating to labour standards, human rights conventions, and corporate responsibility at large. The ESG guidelines will also support proposals requesting independent verification of a company's contractors' compliance with labour and human rights standards. In addition, the ESG guidelines support the International Labour Organization standards and encourage companies to adopt such standards in its business operations.

The ESG guidelines provide for a review of the performance and oversight of certain directors in instances in which a company is found to have violated international human rights standards. Pursuant to the ESG guidelines, if directors have not adequately overseen the overall business strategy of the company to ensure that basic human rights standards are met or if a company is subject to regulatory or legal action with a foreign government or entity due to human rights violations, we will consider voting against directors taking into account the severity of the violations and the outcome of the claims.

HEALTH AND SAFETY

The ESG guidelines generally vote in favour of proposals seeking increased disclosure regarding public health and safety issues, including those related to product responsibility. In particular, the ESG guidelines support proposals calling for the labelling of the use of genetically modified organisms ("GMOs"), the elimination or reduction of toxic emissions and use of toxic chemicals in manufacturing, and the prohibition of tobacco sales to minors. The ESG guidelines also support proposals seeking a report on a company's drug reimportation guidelines, as well as on a company's ethical responsibility as it relates to drug distribution and manufacture. The ESG guidelines will also support proposals related to worker safety and companies' compliance with internationally recognized human rights or safety standards.

BUSINESS ETHICS

The ESG guidelines generally vote for proposals seeking to increase disclosure of a company's business ethics and code of conduct, as well as of its activities that relate to social welfare. The ESG guidelines support proposals requesting that a company develop sustainable business practices, such as animal welfare policies, human rights policies, and fair lending policies. Furthermore, the ESG guidelines support reporting and reviewing a company's political and charitable spending as well as its lobbying practices. The policy will also support well-crafted proposals requesting that companies cease political spending or associated activities.

TROJAN HORSE PROPOSALS

Under the ESG guidelines, we carefully examine each proposal's merits in order to ensure it seeks enhanced environmental disclosure and/or practices, and is not conversely aimed at limiting environmental disclosure or consideration. Accordingly, the ESG guidelines will not support such proposals, which are often referred to as "Trojan Horse" proposals.

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