



Proxy Policy

Polaris Capital Management, LLC (the “Adviser”)’s policy regarding the voting of proxies consists of (1) the statement of the law and policy, (2) identification of the person(s) responsible for implementing this policy, and (3) the procedures adopted by the Adviser to implement the policy.

1. Statement of Law and Policy

A. Law

Because a registered investment company (“fund”) is the beneficial owner of its portfolio securities, it has the right to vote proxies relative to its portfolio securities. The Securities and Exchange Commission has stated that a fund’s board has the obligation to vote proxies. As a practical matter, fund boards typically delegate this function to the fund’s adviser/sub-adviser.

Rule 206(4)-6 under the Investment Advisers Act of 1940 requires that a registered investment adviser with proxy voting authority generally must satisfy the following four requirements: (i) adopt and implement written proxy voting policies and procedures reasonably designed to ensure the adviser votes client and fund securities in the best interests of clients and fund investors and addressing how conflicts of interest are handled; (ii) disclose its proxy voting policies and procedures to clients and fund investors and furnish clients and fund investors with a copy if they request it; (iii) inform clients and fund investors as to how they can obtain information from the adviser on how their securities were voted; and (iv) retain certain records.

B. Policy

The Adviser will vote proxies delivered to it by the fund’s custodian in accordance with this proxy policy. The vote will be cast in such a manner, which, in the Adviser’s judgment, will be in the best interests of shareholders. The Adviser contracts with Boston Investor Services, Inc. for the processing of proxies.

The Adviser, through its investment personnel, will generally comply with the following guidelines:

- **Routine Corporate Governance Issues**
The Adviser will vote in favor of management.
Routine issues may include, but not be limited to, election of directors, appointment

of auditors, changes in state of incorporation or capital structure. In certain cases, the Adviser will vote in accordance with the guidelines of specific clients.

- **Non-routine Corporate Governance Issues**

The Adviser will vote in favor of management unless voting with management would limit shareholder rights or have a negative impact on shareholder value. Non-routine issues may include, but not be limited to, corporate restructuring/mergers and acquisitions, proposals affecting shareholder rights, anti-takeover issues, executive compensation, and social and political issues.

In cases where the number of shares in all stock option plans exceeds 10% of basic shares outstanding, the Adviser generally votes against proposals that will increase shareholder dilution.

In general, the Adviser will vote against management regarding any proposal that allows management to issue shares during a hostile takeover.

- **Non-Voting of Proxies**

The Adviser may not vote proxies if voting may be burdensome or expensive, if voting may reduce the shareholder's liquidity, or otherwise not in the best interest of clients.

- **Conflicts of Interest**

Should the Adviser have a conflict of interest with regard to voting a proxy, the Adviser will disclose such conflict to the client and obtain client direction as to how to vote the proxy.

- **Record Keeping**

The following records will be kept for each client:

- Copies of the Adviser's proxy voting policies and procedures.
- Copies of all proxy statements received.
- A record of each vote the Adviser casts on behalf of the client along with any notes or documents that were material to making a decision on how to vote a proxy including an abstention on behalf of a client, including the resolution of any conflict.
- A copy of each written client request for information on how the Adviser voted proxies on behalf of the client and a copy of any written response by the Adviser.

- **Reporting**

- To comply with Rule 14Ad-1 of the Securities Exchange Act of 1934, the Adviser will report the required voting records relating to executive compensation matters on Form N-PX.

This proxy policy will be distributed to all clients of the Adviser and added to Part 2 of Form ADV. A copy of the policy will be included in the Compliance Program and is available on request.

2. Who is Responsible for Implementing this Policy?

The Compliance Officer is responsible for implementing, monitoring and updating this policy, including reviewing decisions made on non-routine issues and potential conflicts of interest. The Compliance Officer is also responsible for maintaining copies of all records and backup documentation in accordance with applicable record keeping requirements. The Compliance Officer can delegate in writing any of his or her responsibilities under this policy to another person.

3. Procedures to Implement this Policy

Conflicts of Interest

From time to time, proxy voting proposals may raise conflicts between the interests of the Advisers' clients and the interests of the Adviser, its employees, or its affiliates. The Adviser must take certain steps designed to ensure, and must be able to demonstrate that those steps resulted in, a decision to vote the proxies that was based on the clients' best interest and was not the product of the conflict. For example, conflicts of interest may arise when:

- A proponent of a proxy proposal has a business relationship with the Adviser or its affiliates;
- The Adviser or its affiliates have business relationships with participants in proxy contests, corporate directors, or director candidates;
- An Adviser employee has a personal interest in the outcome of a particular matter before shareholders; or
- An Adviser employee has a business or personal relationship with participants in proxy contests, corporate directors or director candidates.

The Investment Personnel of the Adviser are responsible for identifying proxy voting proposals that present a conflict of interest. If the Adviser receives a proxy relating to an issuer that raises a conflict of interest, the Compliance Officer along with the Adviser shall determine whether the conflict is "material" to any specific proposal included within the proxy. The Compliance Officer will determine whether a proposal is material as follows:

- Routine Proxy Proposals – Proxy proposals that are "routine" shall be presumed not to involve a material conflict of interest for the Adviser, unless the Compliance Officer has actual knowledge that a routine proposal should be treated differently. For this purpose, "routine" proposals would typically include matters such as uncontested election of directors, meeting formalities, and approval of an annual report/financial statements.
- Non-Routine Proxy Proposals – Proxy proposals that are "non-routine" will be presumed to involve a material conflict of interest, unless the Compliance Officer determines that the Adviser does not have such a conflict of interest. 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 Adviser and the Compliance Officer will determine on a case-by-case basis that particular non-routine proposals do not involve a material conflict of interest, the Compliance Officer will consider whether the Adviser or any of its officers, directors, employees, or affiliates may have a business or personal relationship with a participant in a proxy contest, the issuer itself or the issuer's pension plan, corporate

directors, or candidates for directorships.

- Any decision to override a vote due to a conflict of interest will be made by the Investment Personnel and reported to the CCO.
- The Compliance Officer will record in writing the basis for any such determination.